

Eastern's Important Publications.

	Rs.	A.
A. C. Dutt's Indian Contract Act, 2nd Ed. 1940 ...	8	0
A. C. Dutt's Commentaries on Indian Succession Act, 1933 ...	10	0
A. C. Ganguli's Civil Court Practice & Procedure, 5th Ed 1936 ...	5	0
A. C. Ganguli's Practical Guide to Criminal Court Practice, 2nd Ed. 1940 (In the Press) ...	4	8
A. Ghosh's Provincial Insolvency Act, 11th Ed. 1940 ...	5	0
A. Ghosh's Land Acquisition Acts, with L. A. (Mines) Acts &c. 3rd Ed. 1935 ...	5	0
A. Ghosh's Law of Endowments (Hindu & Mahomedan) 2nd Ed 1938 ...	10	0
B. B. Mitra's Criminal Procedure Code, 9th Ed. Reprinted 1938 ...	12	0
B. B. Mitra's Provincial Small Cause Courts Act, 7th Ed. 1935 ...	3	0
B. B. Mitra's Transfer of Property Act, 9th Ed. 1939 ...	7	8
B. B. Mitra's Guardian & Wards Act, 7th Ed. 1937 ...	2	8
B. B. Mitra's Indian Succession Act, 4th Ed. 1938 ...	5	0
Bhashyam & Adiga's Negotiable Instruments Act, 7th Ed. 1939 ...	12	8
B. K. Pal's Civil Reference, 1836—1937 6th Ed. 1938 ...	8	0
B. K. Pal's Criminal Reference, 1836—1933 with Suppl. upto 1938 ...	7	0
B. C. De's Law of Impartible Estates, 1934 ...	7	8
Major Cox's Medico-Legal Court Companion, 3rd Ed. 1939 ...	7	8
De Souza's Indian Conveyancing Forms & Precedents, 2nd Ed. 1936 ...	2	8
D. N. Guha's Law of Defamation & Malicious Prosecution 1934 ...	2	0
Sir D. F. Mulla's Civil Procedure Code, 10th Ed. with Suppl. upto May 1938 ...	22	0
Sir D. F. Mulla's Indian Registration Act, 4th Ed. 1939 ...	10	0
Sir D. F. Mulla's Hindu Law, 9th Ed. 1940 (Just Out) ...	14	0
Sir D. F. Mulla's Transfer of Property Act, 2nd (Enlarged) Ed. 1936 ...	18	0
Sir D. F. Mulla's Mahomedan Law, 11th Enlarged Ed. 1938 ...	6	0
Sir D. F. Mulla's Law of Insolvency in India, T. L. L. 1929—1934 ...	8	0
Sir Mulla & Pratt's Indian Stamp Act, 3rd Enlarged Ed. 1935 ...	7	0
Sir Pollock & Mulla's Indian Contract & Specific Relief Acts, 6th Ed. 1931 ...	16	0
Sir Pollock & Mulla's Indian Sale of Goods Act, 1933 ...	7	0
Sir Pollock & Mulla's Indian Partnership Act, 1934 ...	7	0
		Together Rs. 28
E. C. Ormond's Law of Patents in B. I. 1936 ...	12	8
F. C. Brewster's Fingerprints, fully illustrated 1936 ...	5	0
G. K. Roy's Indian Arms Act Manual 10th Ed. 1940 ...	8	5
G. K. Roy's Rules Relating to Public Servants, 9th Ed. 1938 ...	2	11
H. C. Mitra's Indian Limitation Act, 12th Enlarged Ed. 1938 ...	7	8
H. C. Mital's Statute Law of Divorce in B. I. 1936 ...	7	0
H. C. Mital's Statute Law of Marriage in India, 1936 ...	4	0
H. C. Mital & B. D. Jain's Law of Copyright in India, 1939 ...	10	0
J. L. Kapur's Law of Adoption in India 1933 with Supplement upto 1935 ...	10	0
Jethabhai 100 year's Indian Calendar, 1845-1944 ...	6	0
Jagat Narain's Indian Election Petitions, 1920-33 (in 4 Vols.) ...	30	0
Do. Law of Elections & Election Petitions in India & Burma, 1937 ...	18	0
K. C. Chakrabarti's Criminal Pleadings, Evidence & Practice in B. I., 3rd Ed. 1936 ...	3	0
K. J. Aiyar's Manual of Law Terms & Phrases, 2nd En. Ed. 1934 ...	5	0

For Immediate Despatch Write to—

EASTERN LAW HOUSE, POST BOX 7810, CALCUTTA.

Eastern's Important Publications

	Rs.	A.
K. M. Bhattachary's Opium Act 2nd Ed. 1935	...	2 8
K. M. Ghosh's Indian Companies Act, 3rd Ed., 1937 with Supplement	...	10 0
K. N. Bhaumik's Law of Civil Appeals & Revision, 1939	...	5 0
K. N. Bhaumik's Hindu Women's Right to Property Act, 2nd Ed. 1939	...	0 12
K. N. Bhaumik's Law & Procedure of Execution, 1937	...	2 8
K. N. Bhaumik's Patni & Revenue Sale Laws, 1935	...	5 0
K. N. Bhaumik's Indian Limitation Act 1937	...	5 0
K. N. Bhaumik's Case noted Bengal Tenancy Act (Amended) 1938	...	1 8
K. N. Joshi's Easements & Licenses, 1939 (Just Out)	...	14 0
Dr. Krishnamachariar's Provincial Small Cause Courts, 1935	...	3 0
Do. Trial By Jury, 1937	...	6 0
M. K. Mukherji's Law of Unlawful Assembly & Rioting, 2nd Ed. 1936	...	4 0
Sir M. N. Mukherji's Trial by Jury & Misdirection 1937	...	10 0
M. N. Basu's Court Fees & Suits Valuation Acts, new 6th Ed. 1935	...	4 8
M. N. Basu's Indian Stamp Act, 5th Enlarged Ed. 1938	...	5 0
N. D. Basu's Law of Injunctions in India, 1934	...	7 0
N. D. Basu's Law of Evidence in B. I., 2nd Ed., with Supplement to 1935	...	12 0
N. D. Basu's Annotated Indian Civil Court Handbook 5th Ed., 1936	...	12 8
N. D. Basu's Annotated Indian Criminal Court Handbook 5th Ed. 1939	...	12 0
N. D. Basu's Law of Receivers, 1937	...	7 0
N. D. Basu's Indian Companies (Amended) Act, 1937	...	4 0
N. D. Basu's Principles of Law of Insurance in B. I., (Just Out)	...	8 0
N. K. Bhattacharjee's Cattle Trespass Act, 2nd (Enlarged) Ed. 1932	...	1 8
P. C. Mogha's Law of Pleadings in B.I., 6th Enlarged Ed. 1940 (In the Press)	...	10 0
P. C. Mogha's The Indian Conveyancer, 2nd Ed. 1940 (In the Press)	...	10 0
N. N. Bose's Law of Criminal Appeals, 1940 (In the Press)	...	5 0
Dr. R. B. Pal's The Law of Income Tax in B. I., 2 Vols. 1940 (Just out)	...	15 0
R. L. Anand's Law of Bails in Criminal Matters 1938	...	5 0
R. L. Banerji's Surveying & Relaying, 3rd Ed. 1934	...	8 0
Sen's Bengal Tenancy Act (as Amended) Suppl. abridged edition, 1938	...	4 0
Serajul Islam's Public Demands Recovery Acts in Bengal, Behar & Orissa 2nd Ed. 1938	...	2 8
S. C. Lahiri's Burmese Buddhist Law, 4th Ed. 1940	...	8 8
S. C. Manchanda's Law & Practice of Divorce, 1938,	...	12 0
S. M. Dasgupta's Indian Income Tax (Amend). Act, 3rd Enlarged Ed. 1939	...	6 0
S. M. Lahiri's Law of Carriers & Railways in B. I., 2nd Enlarged Ed. with supplement up-to February 1935	...	8 0
S. M. Lahiri's Specific Relief (Amended) Act, 4th Enlarged Ed. 1936	...	7 8
S. M. Lahiri's Transfer of Property Act, 5th Ed. 1940 (Just out)	...	4 0
S. M. Lahiri's Indian Partnership Act, 2nd Ed. 1934	...	4 0
S. N. Basu's Local Investigation & Relaying 1937	...	4 8
S. Roy's Police Officer, 2nd Ed., 1938	...	6 0
S. Roy's Bad Livelihood & Cognate Offences, 4th Ed. 1930	...	6 0
T. Dutt's Law of Provident Funds in India 1934	...	2 8
Wilson's Glossary by Ganguly & Basu, 1940 (Just Out)	...	10 0

ORDER THE PUBLISHERS—

EASTERN LAW HOUSE, 15, COLLEGE SQ., CALCUTTA.

THE
LAW OF INCOME TAX
IN
BRITISH INDIA
Vol. II.

THE LAW OF INCOME TAX IN BRITISH INDIA

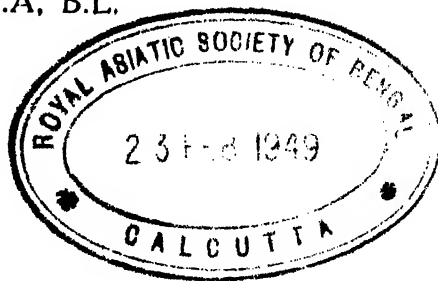
BEING
ACT XI OF 1922 AS AMENDED BY
ACT VII OF 1939

WITH EXPLANATORY NOTES AND COMMENTARIES

BY
RADHABINOD PAL, M.A., D.L.

ADVOCATE, HIGH COURT, CALCUTTA, TAGORE PROFESSOR OF LAW, 1925 & 1930, AUTHOR
OF "THE LAW OF PRIMOGENITURE WITH SPECIAL REFERENCE TO INDIA, ANCIENT
AND MODERN", "THE HINDU PHILOSOPHY OF LAW IN THE VEDIC AGE AND
IN POST-VEDIC TIMES DOWN TO THE INSTITUTES OF MANU", "THE
LAW OF LIMITATION IN BRITISH INDIA", ETC., ETC.

AND
BALAI LAL PAL, M.A., B.L.



FIRST EDITION
1940

EASTERN LAW HOUSE
LAW PUBLISHERS AND BOOK-SELLERS
15, College Square, Calcutta.

CONTENTS

INDIAN STATUTES.

PAGES.

Act XXIX of 1934	ccclxxx
Act IV of 1937	ccclxxxi—ccclxxxii
Report of the Select Committee, 1938	ccclxxxiii—cdii
Act VII of 1939	cdiii—cdlxix

ENGLISH STATUTES.

(1842) 5 & 6 Vict., c. 35	cdlxxi—dcx
(1918) 8 & 9 Geo. V, c. 40	dcxi—dccxxviii

PART III
APPENDIX
CONTAINING OLD STATUTES
AND
ENGLISH STATUTES

INCOME TAX ACT 1860.

DIVISION OF PARTS.

	<i>Sections.</i>
PART I.	
Imposes Duties of 3 and 1 per cent.	i—vi
PART II.	
Appointment of Officers for Managing and Assessing the Duties	vii—xxv
PART III.	
Ex-Officio and Special Assessors for Government Securities and in Public Departments	xxvi—xxxiv
PART IV.	
Mode of Assessment	xxxv—lxvi
PART V.	
Compositions	lxvii—lxxvi
PART VI.	
Provisions as to Trustees and Special Classes of Persons chargeable	lxxvii—xcvi
PART VII.	
Rules under Schedule 1	xcvii
PART VIII.	
Rules under Schedule 2	xcviii
PART IX.	
Rules under Schedule 3	xcix
PART X.	
Rules under Schedule 4	c
PART XI.	
Discretionary modes of Assessment in particular Districts	ci—cviii
PART XII.	
Appeals from Assessment by Panchayets	cix—cxv
PART XIII.	
Exemptions	cxvi—cxxxvi

	<i>Sections.</i>
PART XIV.	
Abatement and Relief from double Assessments	cxxxvii—cxli
PART XV.	
Mode of Payment and Collection of the Duties	cxli—cxlviii
PART XVI.	
Mode of Payment of Duties under Schedule 2, when parties desire to pay according to Numbers or Letters	cxlix—clix
PART XVII.	
Recovery of Duties	clx—clxxxix
PART XVIII.	
Application of the Duties	cx—cxci
PART XIX.	
Penalties	cxci—ccxvii
PART XX.	
Mode of enforcing Penalties	ccxviii—ccxli
PART XXI.	
Miscellaneous	ccxlii—ccxlix

ACT No. XXXII of 1860.

PASSED BY THE LEGISLATIVE COUNCIL OF INDIA.

(Received the assent of the Governor General on the 24th July 1860.)

An Act for imposing Duties on Profits arising from Property, Professions, Trades, and Offices.

PART I.

Imposes Duties of 3 and 1 per cent.

I. From and after the 31st day of July 1860, there shall be collected and paid for the service of the Government of India, during the term herein limited, for and in respect of the property and profits mentioned in the several Schedules contained in this Act, and marked 1, 2, 3, and 4 respectively, the yearly Duty of three Rupees for every hundred Rupees of the annual value thereof, that is to say,

Duty of 3 per cent., and
Schedules 1, 2, 3, and 4.

SCHEDULE 1.

For and in respect of the property in, and profits arising from, all lands and houses in India.

SCHEDULE 2.

For and in respect of the annual profits arising to any person residing in India from any kind of property whatever, whether situate in India, or elsewhere; and for and in respect of the annual profits arising to any person residing in India from any profession, trade, or employment, whether the same shall be carried on in India or elsewhere.

And for and in respect of the annual profits arising to any person whatever, whether a subject of Her Majesty or not, although not resident in India, from any property whatever in India, or any profession, trade, or employment carried on within India.

And for and in respect of all interest of money, annuities, and other annual profits arising to any person residing in India, or accruing and pay-

able in India to any person, whether residing in India or not, not charged by virtue of any other Schedule of this Act.

SCHEDULE 3.

For and in respect of all profits arising from interest, annuities, or dividends, payable in India to any person, whether residing in India or elsewhere, out of the public Revenues of India.

SCHEDULE 4.

For and in respect of every public office or employment of profit in India, and every office or employment of profit in or under any Company in India, and upon every annuity, salary, or pension, payable to any person residing in India, or paid in India to or on account of any person whatever by the Government of India, except annuities charged to the Duty under Schedule 3.

II. The Duties charged under this Act shall be assessed, collected, and paid under the Rules hereinafter provided.

III. From and after the day aforesaid, there shall also be collected and paid, under the Rules contained in this Act, for the purposes hereinafter mentioned and described as roads, canals, or other reproductive public works, for and in respect of the property and profits mentioned in the said several four Schedules respectively, the further yearly Duty of one Rupee for every hundred Rupees of the annual value thereof.

IV. Upon every fractional part of one hundred Rupees of the annual value or amount of the property and profits aforesaid, the like proportion of Duty at the respective rates aforesaid shall be charged, but no Duty shall be charged of a less denomination than one anna.

V. The said Duties shall be charged and levied by yearly assessments, except in the cases hereinafter provided. Every assessment made under this Act within the year appointed for making the same, shall be deemed to be for the current year, and shall be in force for such year. And every assessment made after the expiration of any year in which the same ought to have been made, shall be deemed to be for the year when the assessment ought to have been made.

VI. Such year shall commence, for the first assessment, on the 1st day of August 1860, and for every subsequent assessment during the continuance of this Act on the 1st day of August in the year of such assessment,

PART II.

Appointment of Officers for managing and assessing the Duties.

VI. The Duties imposed by this Act shall, subject to the provisions of this Act, be under the direction and management of the Governor-General of India in Council, the several Governors, Lieutenant-Governors, and Chief Commissioners, for the time being in each Presidency, Lieutenant-Governorship, and Province. The said Governments and Authorities respectively are hereby empowered to do all such acts and things, subject as aforesaid, as may be deemed necessary for the collecting, receiving, and accounting for the said Duties throughout the respective Presidencies, Lieutenant-Governorships, and Provinces, for which the said Duties are assessed, in the like manner as they are authorized to do with relation to any other Duties or revenue under their care.

VIII. The Divisions and Districts of Revenue as already constituted, or as they shall be from time to time constituted, shall be made use of for the purposes of this Act, except in the cases hereinafter specified. The Presidency Towns and the Stations of the Straits Settlement shall be separate Districts for the purposes of this Act, and it shall be lawful for the local Government to add thereto any portions of the adjoining Districts of Revenue. In any such case each part of any such District so added to a Presidency Town or to a Station in the Straits Settlement shall, for all the purposes of this Act, be held and taken to be a part of such Presidency Town or such Station.

IX. The limits of the Presidency Towns and Stations of the Straits Settlement, with any addition of adjoining Districts made by the local Government, shall be defined by the local Government, and notified in the Official Gazette of the Presidency or Settlement. All persons subject to the provisions of this Act not resident in any of such Divisions or Districts of Revenue aforesaid, or in any Presidency Town, or any Station of the Straits Settlement, shall be deemed for the purposes of this Act to be within such Revenue jurisdiction, as the Governor-General of India in Council, by order to be published in the Calcutta Gazette, shall appoint.

X. In the Presidency Towns and Stations of the Straits Settlement, the local Government shall, from time to time, appoint persons to be Commissioners for the purposes of this Act.

XI. In the Presidency Towns the number of such Commissioners shall be not less than six, of whom not less than two shall be persons not in the service of Government; and in the Stations of the Straits Settlement, the

number of such Commissioners shall be not less than three, of whom one shall be a person not in the service of Government. The local Government may grant to such Commissioners in the Presidency Towns and Stations in the Straits Settlement as may not be in the service of Government, such fee or remuneration as may be approved by the Governor-General of India in Council.

XII. If any person not in the service of Government, having been so appointed, shall decline or neglect to act, it shall be lawful for the local Government to appoint any other person, whether in the service of Government or not, to be a Commissioner in lieu of the person so declining or neglecting.

If person not in the service of Government be appointed and refuse or neglect to act.

XIII. The Commissioners appointed under the last three preceding Sections shall hold the appointment for one year only, but it shall be in the discretion of the local Government, after the expiration of that period, to re-appoint any of them. It shall also be lawful for the local Government, at any time, to remove any of such Commissioners.

Duration of appointment, re-appointment, and removal of Commissioners appointed under the preceding Sections.

XIV. Any two of the Commissioners, one of them being an Officer of Government, shall form a quorum.

Quorum.

XV. The senior Officer of Government in the Commission shall be President of the Commission. At every Meeting of the Commissioners at which such Officer shall not be present, the Senior Officer of Government present shall preside. If a difference of opinion shall arise, and the opinions shall be equally divided, the President of the Meeting shall have a casting vote.

Meetings of Commissioners.

XVI. For every Presidency Town and Station in the Straits Settlement, the local Government shall appoint an Officer in the service of Government on such salary as shall be approved by the Governor-General of India in Council, to be called the Special Commissioner, for the purpose of making assessments in the cases referred to him under the provisions hereinafter contained.

Appointment of Special Commissioner for Presidency Towns and Straits Settlement.

XVII. In each of the Presidency Towns and Stations of the Straits Settlements, the local Government may appoint, on such salaries as may be approved by the Governor-General of India in Council, such number of Assessors and such Ministerial and other Officers as may be deemed necessary for carrying out the provisions of this Act.

Appointment of Assessors &c.

XVIII. Except in the Presidency Towns and the Stations of the Straits Settlement, the Collector of Land Revenue shall be entrusted with the execution of this Act, and the managing, levying, receiving, and accounting for the Duties imposed thereby, under the control of the ordinary Revenue Authorities to whom such Collector is subject in matters relating to the Land Revenue.

Except in the Presidency Towns and Straits Settlement, Collector of Land Revenue to be entrusted with execution of Act and management of Duties.

XIX. The Collector may, from time to time, whenever he shall think proper, associate with himself two or more persons, whether in the service of Government or not, to assist him in making assessments under this Act or in any proceeding held under the provisions of this Act.

Collector may associate others with himself to assist him in making assessments.

XX. The local Government may appoint in any District one or more Deputy Collectors as Assessors, on such salaries as shall be approved by the Governor-General of India in Council, for the performance of the duties that may be performed by Assessors under this Act.

Appointment of Deputy Collectors as Assessors.

XXI. The local Government may also entrust any person who may be now employed or may hereafter be employed as a Deputy Collector in the Revenue Department with the duties of an Assessor.

Appointment as Assessors of persons already employed as Deputy Collectors.

XXII. The Collector may empower any Deputy Collector, whether employed as an Assessor or not, subordinate to such Collector, to exercise all the powers conferred on such Collector by this Act in respect of assessments in cases of profits or income not exceeding one thousand Rupees a year, subject to appeal to such Collector in the event of surcharge by such Deputy Collector.

Powers of Deputy Collectors.

XXIII. The Collector may, with the sanction of the local Government, delegate to any Covenanted Officer or to any Deputy Collector whether employed as an Assessor or not, subordinate to such Collector, any of the powers or duties with which he is entrusted under this Act; but in exercising such powers and duties, such Covenanted Officer or Deputy Collector shall be subject to the direction and control of such Collector.

Delegation of powers and duties to Deputy Collectors.

XXIV. It shall be lawful for the local Government to authorize the Collector to appoint, on such salaries as shall be approved by the Governor-General of India in Council, such Assessors and Ministerial and other Officers as may be necessary for carrying out the provisions of this Act,

Appointment of Ministerial Officers by Collectors.

subject to the same control and Regulations as in the other Departments of Revenue.

Collector and Commissioners may exercise functions of Assessors.

XXV. The Collector and Commissioners respectively may at his or their discretion exercise any of the functions that may be performed by Assessors.

PART III.

Ex-Officio and Special Assessors for Government Securities and in Public Departments.

XXVI. The Accountant-General and the Sub-Treasurer of the Presidencies of Bengal, Madras, and Bombay respectively, and every Authority in charge of a Public Treasury and authorized to pay the interest on any security of the Government of India, or any annuity payable out of the public revenue of India, shall be respectively Ex-Officio Assessors for executing this Act for the purpose of assessing and discharging the duties hereby imposed in respect of interest on securities of the Government of India, and of all annuities payable out of the revenues of India to any person whatever, at the places at which the said Officers respectively hold office; and in respect of all other yearly sums (other than the salaries or pensions mentioned in the five next succeeding Sections of this Act,) payable by the said Government, or out of the public revenue at the Government Treasuries at the said places respectively, and also in respect of all other profits chargeable with any Duty under this Act, and arising within any office or department under the management or control of, or the accounts of which are rendered to, or pass through the office of the said several Officers respectively.

XXVII. The several Officers entrusted with the duty of auditing the Civil salaries and allowances payable out of the public revenue, shall be respectively Ex-Officio Assessors for executing this Act for the purpose of assessing all such salaries and allowances payable to any person in the civil employment of the Government, or serving in any Civil Department, or for the payment of which the audit of any Civil Auditor is required and payable from the public revenue by or upon the audit of such Officers respectively.

XXVIII. The several Officers charged with the duty of auditing any pay, salaries, or allowances payable to any Officer or person in Her Majesty's Army, or in Her Majesty's Indian Military Forces, or in the Military employment of the Government, or serving in any Military Department, or for the payment of which the audit of any Military Auditor is required and

payable out of any public revenue, shall be respectively Ex-Officio Assessors for executing this Act, for the purpose of assessing all pay, salaries, and allowances payable to any person in the Military employment of the Government, or serving in any Military Department, or for the payment of which the audit of a Military Auditor General is required, and payable from the public revenue upon the audit of such Officers respectively.

XXIX. The several Officers entrusted with the duty of auditing any pay, salaries, and allowances to any Officer or person in Her Majesty's Navy, or Indian Naval Forces, or in the Marine Service of, or in any Marine Department and employment under the Government, shall be Ex-Officio Assessors for executing this Act, in respect of all pay, salaries, and allowances payable to any person in Her Majesty's Navy or Indian Naval Forces or in the Marine Service of the Government, or serving in any such Marine Department and employment.

XXX. The several Collectors, Paymasters, and Officers charged with the audit and payment, or payment without audit, of pensions payable by the Government, shall be Ex-Officio Assessors for executing this Act in respect of all such pensions; and if the local Government shall think fit to appoint any other persons to act in that behalf, the persons so appointed shall be Special Assessors for executing this Act in respect of any of the pensions payable, or audited by such Paymasters and Officers respectively.

XXXI. Whenever it shall appear to the local Government necessary to appoint any Special Assessor for the purpose of executing any matter in relation to any of the Duties mentioned in Schedule 3 or Schedule 4 of this Act, in respect of which no provision has been herein made for the appointment of Assessors for the purpose of executing any matter in relation to the Duties mentioned in either of the said Schedules at any place not herein mentioned, it shall be lawful for the said local Government to appoint a Special Assessor for the special purpose of executing this Act in respect of such matter, and at such place.

XXXII. The Assessors appointed under the last six preceding Sections of this Act shall have authority to exercise and apply all the powers of this Act as fully and effectually as the Collector or Commissioners are authorized to exercise and apply the same, so far as the same relate to the said Duties, to be assessed by the said Assessors, and shall make their assessment of the said Duties subject to the Rules contained in this Act in respect of such Duties respectively, according to the several Schedules under which such Duties are chargeable.

XXXIII. Every Commissioner, Collector, or other Officer employed in making any assessment under this Act, shall, before acting in execution of this Act, take an oath of secrecy to be taken by Officers. of secrecy in a form to be prescribed as hereinafter mentioned by the Governor-General of India in Council.

XXXIV. In the Presidency Towns and the Stations of the Straits Settlement, any one of the Commissioners, and Administration of Oaths. in other places the Collector, is hereby authorized to administer such oath. The oath may be administered to the Collector by any other Officer of Government above the rank of a Deputy Collector.

PART IV.

Mode of Assessment.

XXXV. A record shall be kept of all the proceedings held by the Collector and Commissioners under this Act.

XXXVI. The Collector and Commissioners shall assign to each Assessor such portion of the District in which such Assessor shall be employed, as may appear proper and shall fix the place or places at which the Assessor shall ordinarily hold his office.

XXXVII. The Collector and Commissioners shall issue a general notice, requiring every person, liable to the Duties imposed by this Act, to fill in a return of his profits or income, in the form to be prescribed by the Governor-General of India in Council, as hereinafter provided, and to transmit such return to the Assessor by a date to be specified in the notice. It shall be explained in the notice that persons requiring forms of returns can procure them at the Office of any of the Assessors. Copies of such notice shall be affixed at the Office of the Commissioners in the Presidency Towns and Straits Settlement at the Collector's Office, at every Revenue or Police Office, and at such other conspicuous places through the Town, Stations of the Settlement, and Districts, as the Collector or Commissioners, respectively, shall appoint.

XXXVIII. The Assessor shall, without delay after this Act shall come into operation, and afterwards, from year to year, serve a notice, in the form to be prescribed by the Governor-General of India in Council as hereinafter provided, on every person within his jurisdiction, whom he may

consider to be liable to the Duties imposed by this Act. Such notice shall require the person to return his profits and income, and shall specify the date by which the return is to be made and the place of the Assessor's Office at which the return is to be made; and shall be signed by the Assessor. The form of the return shall be prescribed as aforesaid and accompany the notice. If the person be not found, the notice shall be left at his usual place of residence or business, or shall be affixed thereto, and thereupon such notice shall be held to have been served.

XXXIX. Every person who is liable to the Duties chargeable by this Act, shall transmit to or deliver at the Assessor's Office the return duly filled in and signed by him. A declaration in the form to be prescribed as hereinafter provided, shall be added at the foot of the return, that the profits or income stated therein are truly estimated on all the sources contained in the several Schedules of this Act, after setting against, or deducting from such profit or income, such sums as are allowed by this Act, and no other sum. The return may be sealed up, and the seal shall be broken only by the Assessor.

XL. Every person who is in the receipt of any money or value, or the profits arising from any of the sources mentioned in this Act, belonging to any other person, in whatever character the same shall be received, for which such other person is chargeable under this Act, or would be so chargeable if he were resident in India, shall, within the period mentioned in such notice as aforesaid, prepare and deliver, in the form to be prescribed as aforesaid, a list containing a true and correct statement of all such money, value, or profits, and the name and place of abode of the person to whom the same shall belong, together with a declaration in the form to be prescribed as aforesaid whether such person is of full age, or a married woman, subject to the provisions of the English Law regarding coverture, living with her husband, or a married woman, subject as aforesaid, whose husband is not accountable for the payment of the Duty hereby chargeable, or whether such person is or is not a resident in India, or an infant, or lunatic.

XLI. Every person acting in such character jointly with any other person, shall, in the manner aforesaid, deliver a list of the name and place of abode of every person so joined with him at the time of delivering such list.

XLII. Every person, when required so to do by a notice to be prescribed as aforesaid, shall, within the period to be mentioned in such notice, prepare and deliver to the Assessor of the District, wherein such person

shall reside, a list in writing, containing, to the best of his belief, the proper name of every lodger or inmate resident in his dwelling-house, and of any other persons, not being menial servants receiving less wages than two hundred Rupees per annum, employed in his service, whether resident in such dwelling-house or not, and the place of residence of such of them as are not resident in such dwelling-house, and also of any such lodger or inmate who shall have any ordinary place of residence elsewhere, at which he is liable, under this Act, to be assessed, who shall be desirous of being so assessed at such place of ordinary residence. Such lists shall be signed by the respective persons delivering the same, and shall be made out in the form to be prescribed as aforesaid. No person being required to deliver a list of lodgers, inmates, or other persons aforesaid, shall be liable to the penalties hereinafter mentioned or either of them, for any omission of the name or residence of any person in his service or employ, and not resident in his dwelling-house, if it shall appear that such person is entitled to be exempted from the payment of all and every the Duties hereby imposed.

XLIII. If in any Presidency Town or any Station of the Straits Settlement any person shall desire that his return be rendered to, and his assessment fixed by, the Special Commissioner, he may, together with the return, transmit, under cover to the Assessor, an application to that effect, sealed and addressed to the Special Commissioner. Such application shall, on receipt thereof, be transmitted to the Special Commissioner.

XLIV. If in any other place, any person, whose annual profits or income shall exceed two thousand Rupees, shall desire that his return be rendered to, and his assessment fixed by, the Collector, he may transmit such return sealed and addressed to the Collector.

XLV. The returns made under the last two preceding Sections shall be in the form which shall be prescribed for returns as aforesaid. The declaration required by Section XXXIX shall be added thereto.

XLVI. The Assessor on receiving the returns shall compute the Duties to the best of his judgment according to the Rules herein contained for each Schedule respectively; but he shall not summon or question the parties making the returns. The Assessor shall make an abstract in the form to be prescribed as aforesaid, specifying the name of each person, the amount of profits or income returned by such person, and the amount of Duty chargeable on such return under this Act,

XLVII. If the Assessor consider any return to be understated, he shall state, in the Abstract prescribed in the last Section, the sum on which he shall consider the person making such return ought to be assessed and the amount of Duty chargeable thereon.

Understated returns to be noticed in the Abstract.

XLVIII. The Assessor shall make a list of the persons, if any, who have omitted to furnish returns, and shall compute, to the best of his ability, the amount at which such persons should be assessed, and shall enter the Duties chargeable thereon.

List of persons omitting to furnish returns.

XLIX. The Assessor shall also make out a list of the persons, if any, who have sent applications to be assessed by the Special Commissioner or Collector.

List of persons applying to be assessed by Special Commissioner or Collector.

L. The Assessor shall have full access to any Collectorate or Revenue Records which he may require to inspect, in order to enable him to compute the Duties on landed property of all kinds, according to the directions hereinafter contained.

Assessor to have access to Collectorate or Revenue Records.

LI. The Assessor shall deliver or transmit the said abstract and lists, signed by himself, together with the returns received by him, to the Collector or Commissioners. If the Assessor be empowered to make assessments under Section XXII of this Act, he shall also deliver or transmit to the Collector an abstract of the assessments so made by him.

Abstract and Lists to be sent by Assessor to Collector or Commissioners.

LII. The Collector or Commissioners shall consider the said lists and returns, and shall assess each person with the Duties properly chargeable; but they shall not summon or question the persons chargeable at this stage of the proceedings.

Collector or Commissioners definitely to assess each party.

LIII. If the Collector or Commissioners be satisfied with the return made by any person chargeable under this Act, they shall assess him in the amount with which he is chargeable according to the return. Such assessment shall be final, subject only to such surcharge in case of fraud as provided in this Act.

Assessments made by Collector or Commissioners according to returns furnished.

LIV. Whenever the Collector or Commissioners shall be dissatisfied with any return, and shall consider that any person should be charged with Duty in excess of the sum chargeable on the amount of the profits or income returned by him, the

Surcharges.

Collector or Commissioners shall surcharge such person accordingly in such sum as they shall think fit.

L.V. Whenever any person shall have been surcharged or shall have been charged on an assessment made under Section

Notice of surcharge. XLVIII by the Collector or Commissioners, a notice shall be given to such person, in a form to be prescribed as aforesaid, stating the amount of such surcharge or charge, and intimating that, if he desire to urge any objection thereto, he may appear, on a date specified, before the Collector or Commissioners, and make such representation, and tender such proof in support thereof as he may wish. But no person who shall have been charged on an assessment made under Section XLVIII, shall be heard against such charge, if he shall have been served with a notice in the manner prescribed by this Act, unless he can satisfy the Collector or Commissioners that his failure to make the return within the period allowed in such notice was unavoidable.

L.VI. *Clause 1.*—If, on the day appointed, the person shall appear, he shall be heard before the Collector or Commissioners sitting with closed doors, and the Assessor shall also, if required, attend. The Collector or Commissioners shall hear the statement of the person and may inspect any books or papers which he shall voluntarily tender, or question any witness whom he shall produce, but they shall not require the person chargeable to produce any books or proofs besides those which he may choose to tender. An oath or affirmation may be administered to any witness produced by the person, but the person himself shall not be sworn unless he shall desire it. After such hearing the Collector or Commissioners shall modify, abate, or confirm, the surcharge or charge upon such person, or shall postpone the case for further hearing. After finally hearing the case, he or they shall decide the amount in which the person ought to be charged or surcharged, and shall assess him in such amount. Such decision and assessment shall be final, subject only to such surcharge in case of fraud and to such revision as are provided by this Act.

Clause 2.—For the purpose of correcting any mistake in law, or for deciding any point specially referred by the Revision of assessment. Collector, such assessment, if made by the Collector, may be revised, on the application of the person assessed, by the authorities to whom the Collector in matters relating to the land Revenue is subordinate, if they think fit so to do, under such rules as those authorities shall from time to time prescribe.

Clause 3.—Before any revision shall be made, the applicant shall deposit with the revising authorities such amount as they may require to be deposited for the purpose of covering costs as hereinafter mentioned.

Deposit of costs before revision.

Clause 4.—Pending the revision, the applicant shall be liable to pay the Duty with which he has been charged, as if no such application had been made, subject to a refund of such amount as the revising authorities shall direct.

Pending revision applicant liable to pay the duty.

Clause 5.—If the revising authorities consider the application for the revision to have been frivolous or vexatious, they may order the applicant to pay such amount of costs as they may think reasonable, and such amount shall be retained out of the amount deposited on account of costs.

Penalty for frivolous or vexatious applications.

LVII. When the assessments for any place shall have been made, a general abstract shall be prepared in the form to be prescribed as aforesaid, to which the signature of the Collector or Commissioners shall be attached, and, in accordance with such abstract, the Collector or other Officer in that behalf appointed shall proceed to levy the Duties in the manner hereinafter prescribed.

A general abstract of assessments to be prepared according to which levy of Duties to be made.

LVIII. When any person shall have applied to be assessed by the Collector or Special Commissioner under Sections XLIII and XLIV, the Collector or Special Commissioner shall consider such application, together with the return and particulars accompanying it. If the Collector or Special Commissioner shall be satisfied with the return, he shall assess such person according thereto.

Assessments made by Collector or Special Commissioner according to returns furnished.

LIX. If the Collector or Special Commissioner shall not be satisfied with the said return, he shall surcharge the person in such sum as he shall think fit. In case of such surcharge, the Collector or Special Commissioner shall cause such notice to be given to the person in the manner prescribed in Section LV, and shall proceed to make his assessment and surcharge in the manner hereinbefore prescribed.

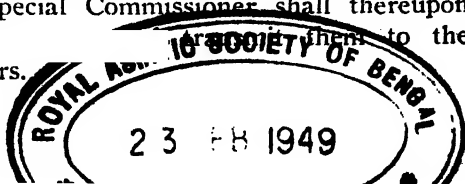
Surcharges.

LX. Such assessment made by the Collector or Special Commissioner shall be final, subject only in case of fraud to such surcharge as provided in this Act.

Effect of assessment by Collector or Special Commissioner.

LXI. In the Presidency Towns and the Stations of the Straits Settlement, the Special Commissioner shall thereupon seal up the Commission.

Presidency Towns, &c. Transmission of papers to Commissioners.



LXII. The returns and other records relating to the execution of this Act, shall be kept under seal in the Office of the Collector, or in the Presidency Towns and Stations of the Straits Settlement, in the Office of the Commissioners. The disposal of such records shall be at the discretion of the Revenue Authorities.

LXIII. In no case shall any paper whatsoever, relating to the assessment of the Duties under this Act, be inspected by any one, save such of the Officers appointed under this Act as are herein expressly authorized to inspect the same.

LXIV. Any person who may have occasion to appear before the Collector or Commissioners or Special Commissioner under the provisions of this Act, shall attend in person, unless his personal attendance be dispensed with, on sufficient reason to be shown, in which case a servant, agent, or relation may be heard on his behalf. Provided that no Counsel, Advocate, Pleader, Attorney, or person practising the law shall be allowed to appear or plead on behalf of any other person.

LXV. The persons acting in the execution of this Act, shall be charged and assessed to all the Duties imposed by this Act if liable thereto, and shall deliver all such returns and declarations, and shall do all such acts and things as shall be required to be delivered or done by this Act, in order to the assessing of the said Duties in like manner as any other persons.

LXVI. Any person aforesaid, whose return shall be under consideration, or who shall be concerned or interested therein, either for himself or for any other person in any character before described, shall have no voice, and shall not be present, except upon a hearing for the purpose of being examined *viva voce* by the Collector or Commissioners having his assessment or schedule under consideration, but shall withdraw during the consideration and determination thereof.

PART V.

Compositions.

LXVII. Any person desirous of compounding for the Duties mentioned in Schedule 2 of this Act, in the first, second, or third years of this Act, shall, at any time after he shall have delivered the return of his profits or income under the said Schedules, as required by this Act,

and before he shall have been assessed for such years, deliver to the Assessor of the District a notice signed by himself of his desire to compound for the Duties in the manner allowed by this Act; and shall state therein whether he desires to compound for three, four, or five years.

LXVIII. When such assessment shall have been made by the Collector or Commissioners, or a Special Commissioner, it shall be lawful for such Collector or Commissioners to contract and agree with such person for a composition for the said Duties on the terms hereinafter mentioned, for a period of not less than three years, and not more than five years limited for the continuance of this Act, provided such person shall enter into and sign a contract of composition within the space of one calendar month next after the making of such assessment shall have been notified to him, and his appeal against the same (if any) shall have been determined.

Parties to execute contract of composition.

LXIX. The terms of such composition shall be the payment in each year of the said period of the amount of the said assessment so made as aforesaid, together with an addition thereto at the rate of one Rupee for every twenty Rupees of the sum assessed as aforesaid, which addition shall be made by the Collector or Commissioners to the said assessment so made for the first year of the said term.

Terms of composition.

LXX. In each subsequent year thereof the assessment of the said Duties under Schedule 2, upon the person who shall have entered into such contract of composition, shall be made by the Collector or Commissioners in a sum equal to the aggregate amount of the said first year's assessment with the said additional rate thereon, and it shall not be necessary for such person to deliver any further return of profits or income described in the said Schedule 2 during the said period of composition.

Assessments how to be made in subsequent years upon persons executing contracts.

LXXI. If the person upon whom such assessment as aforesaid shall have been made, shall neglect or refuse to enter into and sign such contract of composition within the time herein limited for that purpose, the assessment so made, without the said additional rate, shall be collected and recovered in like manner as any other assessment under this Act.

If persons neglect or refuse to execute contract of composition.

LXXII. The contract of composition shall be made in the form to be prescribed as aforesaid. Every such contract of composition shall be made in two parts which shall be severally signed by the Collector or one of the Commissioners, and by the person compounding. One of such parts shall be delivered to the person compounding, and the other part shall remain with the Collector or Commissioners.

Form of contract of composition.
Contract to be in two parts.

LXXIII. Every such contract shall be an authority for the Collector or Commissioners to make an assessment on the

Effect of contract.

person compounding for each year of the said period of composition in accordance with the terms thereof, and to cause the sum thereby assessed to be collected and paid over in such manner and by such means as are herein authorized in relation to any other assessment made under this Act.

LXXIV. If any person who shall have compounded as aforesaid shall die or become bankrupt or insolvent before

Composition to cease on 30th April next after death or bankruptcy of party compounding.

the expiration of the period of composition, his contract of composition shall cease and determine on the 30th of April next after his death, bankruptcy, or insolvency, save and except as to any instalment of Duty which, before the said day, shall have become payable and shall then remain unpaid.

LXXV. If any person who shall propose to compound for the Duties chargeable under Schedule 2 of this Act shall

In case of fraud in compounding, composition to be void, and penalties incurred.

wilfully make or deliver any false return or declaration of profits or income described in such Schedule, or shall wilfully conceal or omit to state any of such his profits or income, or any part or portion thereof, or any other matter or thing required by this Act to be stated in such declaration or return; or if any person shall, by any fraudulent means, procure an assessment to be made upon him for a less amount of the said Duties than he shall be chargeable with, in order to compound thereon: or if any person shall, by any fraudulent means whatever, cause or procure a contract of composition to be made or entered into with him for a less amount of Duties than he ought to be charged with, the contract of composition, if any, which shall have been made with such person, shall be void and of no effect, and such party shall be charged and assessed as if no such contract had been made, and any sum of money which may have been paid in pursuance of such contract shall be forfeited.

Officers not exercising full powers of a Collector incapable of making contracts.

LXXVI. No Officer not exercising the full powers of a Collector shall have authority to make any contract of composition under this Part of the Act.

PART VI.

Provisions as to Trustees and Special Classes of Persons chargeable.

LXXVII. The trustee, guardian, curator, or committee of any person, being an infant, or married woman subject to the

Trustees and Guardians of incapacitated persons to be charged.

law of England as aforesaid, or a lunatic, and having the direction, control, or management of

the property or concerns of such infant, married woman, or lunatic, whether such infant, married woman, or lunatic shall reside in India or not, shall, if such infant, married woman, or lunatic be chargeable under this Act, be charged to the said Duties in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic if he were capable of acting for himself.

LXXVIII. Any person not resident in India, whether a subject of Her Majesty or not, being in the receipt, through any agent, factor, or receiver, of any profits or income chargeable under this Act, shall be chargeable in the name of such agent, factor, or receiver having the receipt in India of such profits or income belonging to such person, in the like manner and to the like amount as would be charged to such person if resident in India, and in the actual receipt thereof.

Trustees, Guardians, Agents, &c., required to do all acts required to be done by their principals.

LXXIX. Every such trustee, guardian, curator, or committee, and every such agent, factor, or receiver, shall be answerable for the doing of all such acts and things as are required to be done by the person chargeable.

LXXX. No trustee, who shall have authorized the receipt of the profits or income arising from trust property by the person entitled thereto, or by the agent of such person, provided such person shall actually receive the same under such authority, and no agent, or factor, or receiver of any person, being of full age, and resident in India, and being under no disability, who shall return a list in the manner herein required, of the name and residence of such person, and of the amount of the income liable to be assessed, shall be required to do any other act for the purpose of assessing such person, unless the Collector or Commissioners, acting in the execution of this Act in respect of the assessment to be made on such person, shall require the evidence of such trustee, agent, or receiver. The Collector or Commissioners shall have power to summon such person to attend before them when his evidence is required.

LXXXI. Every person who shall act in any character as aforesaid for any other person, who by reason of any such incapacity as aforesaid, or by reason of his not being resident in India, cannot be personally charged by virtue of this Act, shall also, when required, deliver in the manner herein directed and in the same District in which the person delivering such list ought to be charged on his own account, a true and correct statement, in writing, signed by him, of the amount of the profits and income to be charged on him on

Trustees or Agents of incapacitated persons may be required to furnish statements of income and profits.

account of such other person, estimated during the period, and according to the rules contained in the said respective Schedules, together with such declaration of the truth of such statement, as required in Section XXXIX of this Act.

LXXXII. Where two or more such persons shall be liable to be charged for the same person, one return only shall be required, and such return shall be made by such persons jointly, or by one or more of them on behalf of himself or themselves; and it shall be lawful for them to give notice, in writing, to the Collector or Commissioners acting for the place where they shall be called upon for such statement, in what place they are respectively chargeable by this Act on their own account, and in which of the said places they are desirous of being so charged on the behalf of such other person for whom they so act in any of the characters before-mentioned, and they shall be assessed accordingly by one assessment in such place, provided any one of such persons shall be liable to be charged on his own account in the same place.

LXXXIII. If more than one assessment shall be made on such persons, or any of them, on the same account, Relief from double Assessments. relief shall be granted for such double assessment by like applications to the Collector or Commissioners, as are allowed in other cases by this Act.

LXXXIV. The receiver or manager appointed by any Court in India, whether constituted by Royal Charter or not, or Receiver or Manager of trust property chargeable. having the direction and control of any property in respect whereof a Duty is charged by this Act, whether the title to such property shall be uncertain or not, or subject to any contingency or not, shall be chargeable to the said Duty in like manner and to the like extent as the persons entitled thereto would be chargeable, if in actual possession of the said property, and if the title thereto were certain and not subject to any contingency whatever.

LXXXV. The several Courts of Wards in the Presidencies of Bengal, Madras, and Bombay, and in any other parts of Court of Wards is to be charged for property in its control. India wherein such Courts are established, shall, in respect of all property, profits, and income under the direction and control of such Courts, and chargeable with any Duty under this Act, whether the proprietors on whose behalf the said Courts shall have such direction or control, be or continue disqualified or not, so long as the said Courts shall have such direction or control, shall be chargeable to the said Duty in the like manner and to the like extent as the proprietors of such property, profits, and income, if not disqualified, and if in actual possession thereof, would be chargeable.

LXXXVI. The Administrators General of Bengal, Madras, and Bombay shall be chargeable under this Act in respect of all property, profits, and income in their possession or under their control by virtue of any letter of administration or *ad colligenda*, or by virtue of any probate granted to them respectively as executor of any will, or of any appointment as curator, or as official trustee.

LXXXVII. Every such receiver or manager, every such Court of Wards, and every such Administrator General, shall be answerable for doing all such matters and things, and for delivering all such returns and declarations, as are required to be done by virtue of this Act, in order to the charging of the Duties imposed by this Act in respect of the several properties, profits, and income under their care respectively, and in order to the payment of the same.

LXXXVIII. All Bodies politic or corporate or collegiate, and all Companies or Societies of persons, whether corporate or not corporate, and the property thereof, shall be chargeable with the same Duties, and shall be subject in all respects to the provisions of this Act, in the same manner as any person and his property are subject thereto.

LXXXIX. When any such Body, Company, or Society shall be registered under any Act of the Governor-General of India in Council for the time being in force, the registered Officers of such Body, Company, or Society, and where it shall not be so registered, the Secretary or Principal Agent or Manager in India, shall be answerable for doing all such acts and things as shall be required to be done by virtue of this Act, in order to the assessing such Body, Company, or Society, or the officers or servants thereof, as hereinafter provided, to the Duties imposed by this Act and paying the same.

XC. The Treasurer, Secretary, or Principal Agent or Manager in India of any such Body, Company, or Society, whether the same be registered as aforesaid or not, shall be also answerable for the payment of the said Duties, payable by such Body, Company, or Society.

XCI. The Treasurer, Secretary, or Principal Agent or Manager in India of any such Body, Company, or Society, shall also, within the period required by this Act, prepare and deliver, in the form to be prescribed as aforesaid, a true and correct return of the profits

and income to be charged on such Body, Company, or Society, computed according to the directions of this Act, together with such declaration of the truth of the said return as aforesaid, as required by Section XXXIX of this Act.

XCII. Such return shall be made on the amount of the annual profits and income of such Body, Company, or Society,

Such return to be made on annual profits and income before a dividend is made.

before any dividend shall have been made thereof to any other persons, Bodies, or Companies having any share, right, or title in or to such profits or income, and all such other persons, Bodies, Companies, or Societies shall allow, out of such dividends, a proportionate deduction in respect of the Duty so charged.

XCIII. When any trustee, guardian, curator, or committee, agent,

Trustees, Agents, and Receivers may retain Duties charged on them out of trust monies.

factor, or receiver of or for any person, shall be assessed under this Act in respect of such person; or when any receiver appointed by any Court, or when any Court of Wards, or any Administrator General, shall be assessed under this Act in respect of the property, profits, or income received by them; or when any Secretary, Agent, Manager, or other officer of any Body, Company, or Society shall be so assessed in respect of such Body, Company, or Society as aforesaid, it shall be lawful for every such person, who shall be so assessed, out of the money which shall come to his hands as such trustee, guardian, curator, committee, agent, factor, or receiver as aforesaid, or as such receiver, Court of Wards, or such Secretary, Manager, Agent, or Administrator General, or such other officer as aforesaid, to retain so much thereof from time to time as shall be sufficient to pay such assessment; and each of the said persons enumerated in this Section is hereby fully indemnified against every person, Body, Company, or Society whatsoever, for all payments which he shall make under this Act.

XCIV. Any married woman subject to the law of England in regard

Married woman (subject to English law) having separate property chargeable.

to her coverture, acting as a sole trader in her own name, or having or being entitled to any profits or income to her sole or separate use, shall be chargeable to the Duties under this Act, in like manner, except as hereinafter mentioned, as if she were sole and unmarried.

XCV. The profits or income of any married woman subject to the law

Profits of married woman (subject to English law) living with her husband, how chargeable.

of England as aforesaid, living with her husband, shall be deemed the profits of the husband, and the same shall be charged in the name of the husband, and not in her name or in the name of her trustee.

XCVI. Any married woman subject to the law of England, or acting as committee as aforesaid, living in India separate from her husband, whether such husband shall be temporarily absent from her or from India, or otherwise, who shall receive any allowance or remittance from property out of India, shall be charged as a *feme sole* if entitled thereto in her own right, and as the agent of the husband if she receive the same from or through him, or from his property, or on his credit.

Profits of married woman (subject to the English law) living in India separate from her husband, how chargeable.

Assessment of Duties imposed under Schedule I.

PART VII.

Rules under Schedule 1.

XCVII. The Duties hereby imposed and contained in Schedule 1 shall be assessed and charged under the following Rules, that is to say:—

SCHEDULE 1.

Rule 1. The annual profits of the proprietors or holders of lands paying revenue direct to Government not under any permanent settlement, but under any settlement liable to revision or alteration, shall be estimated at one-third of the annual amount of revenue payable to the Government. The owners or holders of such lands shall be chargeable with the amount of the annual profits so estimated.

Profits of lands paying revenue direct to Government under settlements subject to revision, to be estimated at one-third the Government Revenue.

Rule 2. If any owner or holder of lands included in Rule 1 shall prove to the satisfaction of the Collector or Commissioners that the actual annual profits received by him from the said lands are less in value than one-third the annual amount of revenue payable in respect of the said lands, the Collector or Commissioners shall reduce accordingly the annual amount of Duty with which such owner or holder is chargeable.

Assessment upon such lands may be reduced on proof that the profits realised are less than one-third the Government Revenue.

Rule 3. If any such owner or holder shall object, either before the Collector or the Commissioners, to be charged with the annual value at the rate of one-third the annual amount of revenue payable on the said lands, he shall be bound to make all the returns and declarations, and be subject to the same rules as the owners or holders of lands mentioned in the following rules; and if it shall appear

Upon application to reduce, holder, if he fails, liable to be charged with excess of profits above one-third of the Government Revenue.

to the Collector or to the Commissioners that the annual profits arising from the said lands are more in value than one-third of the said annual amount of the said Government revenue, the Collector or the Commissioners shall charge such owner or holder with such increased annual value of the profits, and he shall be charged double Duty in respect thereof.

Rule 4. All persons in the actual receipt, whether as owners or not, of

All persons in receipt of rents and profits of lands and houses not included in Rule 1 to make returns, and to be chargeable with actual profits.

any rents or profits arising out of any lands or houses not included in the said first general rule, whether paying revenue to the Government or not, shall return and deliver, as aforesaid, a statement of all the several estates, tenures, sub-tenures,

lands, and houses held by them, and of the nature of such estates, tenures, and sub-tenures, and of the amount of the rents and profits whereof they shall be in receipt as aforesaid, under any title whatever, and in whatever District situated, and of the rents and profits, of whatsoever nature or kind, received and receivable by them on account of every such separate estate, tenure, sub-tenure, lands, and houses as the rent or profits payable for the preceding year, that is to say, the revenue year immediately preceding the year of assessment, and shall be chargeable upon the annual amount of such rents and profits. Every return required by this Section shall be accompanied by a rent-roll containing the name of every person to whom such lands or houses or any part thereof are underlet by the person making such return, and the amount of rent payable in every such case, and every such return and rent-roll shall be filed in the Collector's Office, and shall be conclusive evidence against the person making such return in any suit for the recovery of rent as to the amount payable by any tenant included in such rent-roll for the period to which such return applies, and shall also be conclusive evidence against him in all other actions or suits, unless it shall be proved to the satisfaction of the Court or Officer before whom such return and rent-roll is offered in evidence, that any statement contained therein is erroneous, and that the error arose from accident and not from any fraudulent intention, in which case the said Court or Officer shall not be bound to treat the same as conclusive.

Rule 5. Every such person as aforesaid, who shall not receive for his

Provision as to co-sharers.

own sole use and benefit the whole rents and profits of any such estate, tenure, sub-tenure, lands, or houses as aforesaid, shall state in his said return,

to the best of his knowledge and belief, the name of every other person having a share therein, the extent of the respective shares of such persons, and the amount of rents and profits received by them for their own use and benefit. Any two or more persons, being sharers in any estate, tenure, sub-tenure, lands, or houses, may render a joint return to the above effect, in which they shall specify their respective shares.

Rule 6. *Clause 1.* In returning such rents and profits the gross

Assessment after de-
ducting land revenue or
rent.

amount received and receivable during the preced-
ing year shall be fully stated, but if the person
receiving or entitled to receive the same be himself
liable to pay, in respect of any land or house, any land revenue to Govern-
ment or any rent to any superior landlord, he shall state in his return the
amount of such revenue and rent, and the name of the person to whom the
rent is payable, and shall be charged with the said Duties on his rent and
profits, whether received or not, after deducting the amount of such land
revenue or of the rent so payable by him to such superior landlord.

Clause 2. Or at the option of the Collector or Commissioners he may

Assessment without de-
duction.

be charged with the Duties on the rent and profits
without making any such deduction on account of
land revenue or rent.

Clause 3. Whenever any person shall pay the said Duties on the rent

Person so assessed may
deduct from superior
landlord.

or profits of any land or house without deduction
on account of any land revenue or rent payable by
him in respect of such house or land, he shall have
a right to deduct from any revenue or rent payable by him, as the case may
be, a sum equal to the amount of the Duty computed upon such revenue
or rent.

Payment deemed a
payment to Government
by the person from whom
deduction is made.

Clause 4. A deduction from revenue or rent
under the provisions of this Act shall be deemed a
payment to Government by the person from whom
the deduction is made of the amount so deducted.

Rule 7. All other persons occupying lands or houses, other than ryots

All other persons occu-
pying lands to return
and be charged with
actual profits.

and occupiers as provided in Sections CXXX and
CXXXI of this Act, and not being the owners
thereof, shall return and deliver, in manner afore-
said, the actual amount of profits realised by them
from the said lands or houses during the preceding year, and shall be assessed
thereon.

Rule 8. Owners of lands or of houses occupying the same, except ryots

Owners of lands or
houses occupying the
same to be charged at
rack-rent at which the
same are worth to be let.

and occupiers as last aforesaid, shall be chargeable
in respect of the annual value thereof at the rack-
rent at which such lands or houses are worth to be
let for the year.

Rule 9. The said Duty shall also be assessed upon the amount received

Fines and bonuses on
leases.

within the year preceding by or on account of any
person as a fine or bonus in consideration of any
lease of, or agreement to let any land or house.

Rule 10. When any mortgagee or creditor having a lien on any land or house shall be in possession of the land or house mortgaged, such mortgagee or creditor, whether in the actual occupation, or in the receipt of the rents and profits of such land or house, shall be chargeable as the owner of the same, according to the Rules herein contained; and upon any settlement of accounts between such mortgagee or creditor, and the mortgagor or debtor, the Duty chargeable under this Act, in respect of the amount of the interest payable upon the mortgage or debt, shall be taken and allowed as so much money received by such mortgagee or creditor on account of such interest.

Rule 11. If the person who is the owner of any land or house at the time the assessment is made, shall die before payment of the Duty chargeable under this Act, the heirs, executors, administrators, or assigns, or other person who, on the death of such person, shall become entitled to the rent or profit of such land or house, shall be liable to the payment of all arrears of the said Duty due at the time of the death of such person, and to all subsequent instalments for the same year, without any new assessment.

Rule 12. When any house shall be divided into distinct portions, and such portions shall be occupied by distinct owners or their respective tenants, such owners shall be liable for their respective proportions of the Duties chargeable under this Act.

Rule 13. No deduction from the assessment of any land or house shall be allowed in any case, unless the same shall be authorized by this Act, nor unless an account in writing, signed by the party claiming such deduction, stating the nature and amount thereof, shall have been delivered to the Assessor within the time, and pursuant to the notice given by such Assessor. Provided it shall be lawful for any local Government to authorize a deduction to be made in respect of any extraordinary or unusual charge to which the property is subjected.

Rule 14. If any such deduction shall be made contrary to this Act, or without such account in writing as aforesaid, the person making the same shall be surcharged with the amount of such deduction.

Rule 15. When the rent of any land shall depend wholly or in part on the price of any kind of grain, or on the actual produce of the land, the computation for the purpose of charging the Duties in Schedule 1 of

this Act, in respect either of the price or quantity of such produce, shall be made, and the amount to be assessed shall be ascertained, according to the rules and in the manner by which such rent has been usually ascertained in the same District between landlord and tenant, and the Collector or Commissioners shall in such cases determine according to what rules and in what manner it has been usual, in the said District, to ascertain the amount of such rent between landlord and tenant.

Duty to be assessed on lands and houses whether occupied or not.

Rule 16. The Duty shall be assessed on all lands and houses, whether occupied at the time of assessment or not.

Rule 17. The said Duty shall not be levied on any house which shall be unoccupied for such year or portion of the year as the same shall be unoccupied, but the assessment thereupon for such year, or portion of the year as aforesaid, shall, upon appeal, be discharged or diminished by the Collector or Commissioners, on due proof of the time during which such house remained unoccupied.

Remission of assessment on unoccupied houses.

Rule 18. If any dispute shall arise touching the annual value of any land or house, and the Collector or Commissioners shall deem it necessary, or the person chargeable shall desire, that a valuation thereof shall be made by any competent person, it shall be lawful for the Collector or Commissioners to direct that a valuation be made by any such person to be named by the Collector or Commissioners, the costs and charges whereof shall abide the final determination of the Collector or Commissioners, and to require the just valuation to be verified on the oath or solemn affirmation of the person making the same. If the person chargeable, after having desired such valuation, or any person instigated by him, shall obstruct or resist the making of such valuation, the Collector or Commissioners shall make an assessment according to the best of their judgment without such valuation.

Power to appoint a Valuer.

Rule 19. It shall be competent to the Collector or Commissioners, in every case where the valuation so made shall exceed the value put upon the said land or house by the person chargeable, to direct that the costs and charges attending the same shall be paid by him; but if they shall be of opinion that such costs and charges have not been incurred through any fault of such person, they shall direct the same to be paid by the Collector of the District, who, on the certificate of the Collector or Commissioners present at the time of the determination, shall pay the same.

Costs of valuation by whom to be paid.

Rule 20. Whenever, by any flood, drought, or tempest, loss shall be

Deduction in favor of owners where rent reduced in consequence of flood, drought, or tempest.

sustained on the growing crops, or on the stock on lands let to tenants, or the lands, or any part thereof, shall by such flood, drought, or tempest, be rendered incapable of cultivation for any year,

and it shall be proved to the satisfaction of the Collector or Commissioners that the owner of the said land, or the person in receipt of the rents thereof, has, in consideration of such loss, abated or agreed to abate to any tenant the whole or any proportion of the rent reserved or payable by such tenant for any year of such lease, it shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said lands for the same year for which such rent has been abated, and to discharge therefrom the whole or the like proportion of Duty as the said owner shall be proved to have abated from the rent reserved and made payable to him on such lease.

Rule 21. It shall also be lawful for the Collector or Commissioners, in

A similar provision in favour of occupiers.

every such case, to abate in the assessment made in respect of the occupation of the said land for the same year, and to discharge therefrom the like

proportion of Duty as shall have been abated or discharged from the assessment made in respect of the property on the said land for the cause aforesaid.

Rule 22. Whenever, from any of the causes aforesaid, the like loss

A similar provision as to lands in occupation of owner.

shall be sustained on any land in the occupation of the owner, and the same shall be proved to the satisfaction of the Collector or Commissioners, it

shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said land, and to discharge the whole or any part of the said Duty, in proportion to the loss so sustained, and to the amount which the Collector or Commissioners shall be of opinion would or ought to have been abated as aforesaid, if the said land had been let to a tenant, and a proportionate abatement had been made to such tenant under the circumstances of the said loss.

Rule 23. Whenever any loss of rent shall be sustained by the owner or

Deductions for loss caused by insolvency or absconding of tenants.

landlord of any land occasioned by the insolvency or absconding of the tenant or occupier by whom such rent was payable, or by the fraudulent

assignment or removal of his goods, or by reason of such land being left unoccupied or waste, and the same shall be established to the satisfaction of the Collector or Commissioners, it shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said land, and to discharge the whole or any part of the said Duty in proportion to the loss so sustained,

PART VIII.

Rules under Schedule 2.

XCVIII. The Duties hereby imposed contained in the Schedule marked
 Assessment of Duties 2 shall be assessed and charged under the following
 under Schedule 2. Rules:—

SCHEDULE 2.

The said Rules shall extend and apply to every description of property or profits which shall not be contained in either Schedule 1 or Schedule 3, and to every description of profession or employment of profit not contained in Schedule 4, and not specially exempted from the said Duties, and shall be charged annually on, and paid by the person receiving or entitled to the same, and his representatives.

FIRST CASE.—*The Duties to be charged in respect of any Trade.*

Rule 1. The Duties to be charged in respect of any trade shall be
 Computation of Duties computed upon a sum not less than the full amount
 to be charged for the of the profits of such trade during the preceding
 preceding year. year, that is to say, during one year ending on the
 day of the year immediately preceding the year of assessment on which the
 accounts of the said trade shall have been usually made up, or on the 30th
 day of April preceding the year of assessment, and shall be assessed and
 paid without other deduction than is hereinafter allowed. Provided that
 any profits made in respect of any trade or adventure
 Proviso as to profits of trade &c. carried on out-
 of India. ture carried on entirely out of India, and which
 shall be in no way connected either with the
 products of India exported therefrom, or with any manufactures or products
 whatever purchased out of India and imported or to be imported into India,
 shall be exempted from any charge under this Act, unless such profits be
 received in India.

Rule 2. When the trade shall have been set up and commenced
 within the period of one year, or within the year
 of assessment, the computation shall be made
 Computation when the according to an average of the profits for such
 trade has been com- period as the Collector or Commissioners shall,
 menced within the pre- under the circumstances, direct.

Rule 3. The Duties under Schedule 2 shall extend to every trade,
 whether the same be connected with the occupation
 and use of land or not, including among others
 Description of trades the following persons: Railway Companies, Canal
 chargeable under Sched-
 ule 2.

Companies, Steam Navigation Companies, Irrigation Companies, Docking Companies, Coal Companies, Gas Companies, Mining Companies, Tea Companies, Indigo Planters and Manufacturers, Coffee Planters, Sugar Planters, Tea Planters, Silk Manufacturers, Holders of Silk Filatures, and all Companies and persons holding or using land for the purpose of manufacturing the produce thereof and selling such produce when manufactured, or for any purpose of the nature of trade or manufacture, whether such Companies or persons are subject to the Bankrupt or Insolvent Laws as traders or not. The foregoing enumeration shall not be construed to exclude any person not expressly specified therein, who would, but for such enumeration, have been deemed to be included therein under the general words of this Rule.

Rule 4. In estimating the profits or income chargeable under Schedule 2, or for the purpose of assessing the Duties thereon, no sum shall be allowed to be set against or deducted from such profits or income on account of any sum expended for repairs of premises occupied for the purpose of such trade, manufacture, or concern, nor for any sum expended for the repairs of any implements, utensils, or articles employed for the purpose of such trade, manufacture, or concern, beyond the sum usually expended for such purposes, according to an average of three years preceding the year in which such assessment shall be made; nor on account of loss not connected with, or arising out of such trade; nor on account of any capital withdrawn therefrom, nor for any sum employed or intended to be employed as capital in such trade; nor for any capital employed in improvement of premises occupied for the purposes of such trade, manufacture, or concern; nor on account of any interest which might have been made on such sums if laid out at interest; nor for any debts, except bad debts proved to be such to the satisfaction of the Collector or Commissioners.

No deduction to be allowed in computation, except those specified.

Rule 5. In estimating the amount of the profits or income arising as aforesaid, no deduction shall be made on account of any annual interest, or any annuity or other annual payment paid or payable to any person out of such profits.

No deduction on account of annuities payable out of profits.

SECOND CASE.—*The Duties to be charged in respect of professions or employments not contained in any other Schedule of this Act.*

Rule 6. The Duties on professions or employments shall be construed to extend to every profession and employment in any character whatever, for whatever period, and to all profits and earnings, of whatever value, subject only to such exemptions as are hereinafter mentioned.

Duties chargeable on all employments, whether annual or not.

Rule 7. The Duties to be charged shall be computed at a sum not less than the full amount of the balance of the profits and income of such profession or employment (after making such deductions as by this Act are allowed) within the preceding year, ending as in the first case, to be paid on the actual amount of such profits or income, without any deduction, subject to the like provisions as are made in the first case in Rule No. 2, in respect of the period of computation in the case of setting up or commencing such profession or employment within the year preceding the year of assessment, or within the year of assessment.

4th and 5th Rules of Case 1 applicable to Case 2.

Rule 8. The fourth and fifth Rules in the first Case shall also extend to the profits arising under the second Case, as far as they are applicable.

Rules applying to both the preceding Cases.

Disbursement which are not to be allowed in computing profits under Schedule 2.

Rule 9. In estimating the profits or income to be charged according to either of the first or second Cases, no sum shall be allowed to be set against or deducted from such profits or income for any disbursements or expenses whatever, not being money wholly and exclusively expended for the purposes of such trade, or of such profession or employment, nor for any disbursements or expenses of maintenance of the parties; their families, or establishments, nor for the rent or value of any dwelling-house or domestic offices, or any part of such dwelling-house or domestic offices, except such part thereof as may be used for the purposes of such trade, profession, or employment, not exceeding the proportion of the said rent or value hereinafter mentioned, nor for any sum expended in any other domestic or private purpose distinct from the purposes of such trade, or of such profession or employment.

Duties to be computed inclusive of profits arising from lands connected with trade.

Rule 10. The computation of the Duties to be charged in respect of any trade, profession, or employment, whether carried on by any person singly or by any two or more persons jointly, or by any Corporation, Company, or Society, shall be made inclusive of the profits or income arising from any land or house occupied for the purpose of such trade or of any profession or employment.

Computation in the case of several persons in partnership.

Rule 11. The computation of Duties arising in respect of any trade, profession, or employment carried on by two or more persons jointly, shall be made and stated jointly and in one sum, and separately and distinctly from any other Duty chargeable on the same persons or either or any of them.

Rule 12. The return of the partner who shall be first named in the

Return of partner first named in deed or of precedent acting partner resident in India, sufficient authority to charge partners jointly.

deed, instrument, or other agreement of co-partnership, or where there shall be no such deed, instrument, or agreement, then of the partner who shall be named singly, or with precedence to the other partner or partners, in the usual name, style,

or firm of such co-partnership, or where such precedent partner shall not be an acting partner, then of the precedent acting partner, and who shall be resident in India, shall be sufficient authority to charge such partners jointly.

Rule 13. Every such partner who shall be so first named as aforesaid,

Liability of every such partner to penalty for default in making returns.

and such precedent partner or precedent acting partner as aforesaid resident in India, is hereby required, under the penalty herein contained for

default in making any return required by this Act, to make such return on behalf of himself and the other partner or partners, whose names and residences shall also be declared in such return.

Rule 14. Where no such partner shall be resident in India, then the

Where no such partner is resident in India.

statement shall be prepared and delivered by their agent, manager, or factor, resident in India, jointly for such partners, and such joint assessment shall

be made in the partnership name, style, or firm, and no separate statement shall be allowed in any case of partnership, except for the purpose of the partners separately claiming an exemption as herein directed, or of accounting for separate concerns.

Rule 15. Any partner being entitled to exemption, shall declare the

Case of separate assessment.

proportion of his share in such partnership, trade, or profession, in order to a separate assessment.

For the above purpose, it shall be lawful to charge the partners in such partnership separately; but if no such claim be made, and in any other case, such assessment shall be made jointly, according to the amount of the profits and gains of such partnership.

Rule 16. Any partner in such trade, profession, or employment, who

Partners returned by precedent partner may return their own names.

shall have been already returned by such precedent partner as aforesaid, may return his name and place of abode, and that he is such partner,

without returning the amount of Duties payable in respect thereof, unless the Collector or Commissioners shall think proper to require a further return, in which case it shall be lawful for the Collector or Commissioners to require from every such partner the like return as they are hereby entitled to require from the precedent partner.

Rule 17. If amongst any persons engaged in any trade, or in any profession or employment in partnership together, any change shall take place in any such partnership, either by death or dissolution of partnership as to all or any of the partners, or by admitting any other partner therein before the time of making the assessment, or within the period for which the assessment ought to be made under this Act, or if any person shall have succeeded to any trade, or any profession or employment, within such respective periods as aforesaid, the Duties payable in respect of such partnership, or any of such partners, or any person succeeding to such profession, trade, or employment, shall be computed and ascertained according to the profits and income of such business derived during the respective periods herein mentioned, notwithstanding such change therein or succession thereto as aforesaid, unless such partners or such persons succeeding to such business as aforesaid shall prove, to the satisfaction of the Collector or Commissioners, that the profits or income of such business have fallen short, or will fall short, for some specific cause, to be alleged to them, since such change or succession took place and by reason thereof.

Rule 18. Every statement of profits or income to be charged under this Schedule shall include every source so chargeable on the person delivering the same on his own account or on account of any other person.

Rule 19. Every such statement on the behalf of any other person, for which such person shall be chargeable as acting in any of the characters before described, or on the behalf of any Corporation, Company, or Society, shall include every source chargeable as last aforesaid, and shall be delivered in that District where such person, Corporation, Company, or Society would be chargeable, if acting on his or their own behalf.

THIRD CASE.—*The Duties to be charged in respect of profits of an uncertain yearly value not charged in Schedule 1.*

Rule 20. The Duties to be charged in respect of profits of uncertain yearly value not charged in Schedule 1, shall be computed at a sum not less than the full amount of the profits arising therefrom within the preceding year, ending as in the first Case, to be paid on the actual amount of such profits, without any deduction.

Rule 21. The profits on all securities bearing interest payable out of the public revenue, (except securities herein

Rule as to profits on securities not included in Schedule 3.

3,) and on all discounts and on all interest of money, not being annual interest, shall be charged according to the last preceding Rule in this Case.

FOURTH CASE.—*The Duties to be charged in respect of Interest or Income arising from any Property situated out of British India, whether in any other part of Her Majesty's Dominions or not.*

Rule 22. The Duties to be charged on any person residing in India, in respect of any interest or income arising from

Computation of income arising from property out of British India, to be made according to receipts of preceding year.

any property situated out of India, whether in any other part of Her Majesty's Dominions or not, if such interest or income is received or intended to be received in India, shall be computed on a sum not less than the full amount of the actual sums which have been received in India during the preceding year, without other deduction or abatement than is herein allowed.

FIFTH CASE.—*The Duties to be charged in respect of any annual profits or income not falling under any of the foregoing Rules, and not chargeable under any other Schedules.*

Rule 23. The nature of any profits or income not falling under any of the foregoing Rules, and the principle on which

Computation of profits not falling under any of the foregoing Rules.

the amount thereof shall have been computed, and the average taken thereon (if any), shall be stated in the return made by the party in this behalf, and the computation shall be made either on the amount of the full value of the profits or income received annually, or according to an average of such period, not exceeding one year, as the case may require, and as shall be directed by the Collector or Commissioners, and such statement and computation shall be made to the best of the knowledge and belief of the person in receipt of the said profits or income or entitled thereto.

General Rules.

Rule 24. Any person carrying on in the same Presidency Town, Station in the Straits Settlement, or District, two

When one person, or one firm consisting of the same persons, carries on two distinct trades, losses in one trade may be set off against profits in the other.

or more distinct professions, trades, or employments, the profits whereof are made chargeable under the Rules of Schedule 2, and in each of which he is solely interested; or any two or more persons carrying on in the same Presidency Town,

Station in the Straits Settlement, or District, in partnership with each other, two or more distinct professions, trades, or employments, in each of which the same persons alone are interested, may deduct and set off against the profits acquired in one or more of the said professions, trades, or employments, the excess of the loss sustained in any other of the said professions, trades, or employments, over and above the profits thereof, in such manner as may be done under this Act where a loss may be deducted from the profits of the same trade.

In such cases separate statements of profits and losses to be made.

Rule 25. Such person or persons shall, in such cases, make separate statements of the profits and losses of the said several trades.

Rule 26. Any person carrying on any profession, trade, or employment, either alone or in partnership, renting a house, part of which shall be used by him for the purposes of any profession, trade, or employment hereby charged, may deduct and set off from the profits of such profession, trade, or employment such sum, not exceeding two-third parts of the rent *bonâ fide* paid for such house, with the appurtenances, as the Collector or Commissioners shall think fit to allow, and the Collector or Commissioners shall have authority to allow such deductions as in other cases, and to assess such person accordingly.

Deduction for two-thirds of rent of houses occupied for purpose of trade or profession.

Rule 27. Upon all annuities, yearly interest of money, or other annual payments, whether such payments shall be payable within or out of India, either as a charge on any property of the person paying the same by virtue of any deed, or will, or otherwise, or as a reservation thereout, or as a personal debt or obligation by virtue of any contract, or whether the same shall be received and payable half-yearly or at any shorter or more distant periods, the Duties payable under this Act, shall be charged upon the annual amount thereof without deduction, subject to the provisions by which the Duties in the third Case of Schedule 2 may be charged.

Duty to be charged on all annual interest not otherwise charged under this Act.

Rule 28. In every case in which such Duties shall be payable out of profits brought into charge by virtue of this Act, no assessment shall be made upon the person entitled to such annuity, interest, or other annual payment, but the whole of such profits shall be charged with the said Duties on the person liable to such annual payment.

On whom Duties to be charged.

Rule 29. The person so liable to make such annual payment, whether out of the profits charged with Duties, or out of any annual payment liable to deduction, or from which a deduction shall have been made, shall be

Interest from profits charged liable to deduction.

authorized to deduct out of such annual payment the Duties payable thereon under this Act.

Rule 30. The person to whom such payment, liable to deduction, is to be made, shall allow such deduction at the full rate of Duties hereby directed to be charged upon the receipt of the residue of the money.

At what rate of Duties deduction to be allowed.

Rule 31. The person charged to the said Duties, having made such deduction, shall be acquitted and discharged of so much money as such deduction shall amount unto, as if the amount thereof had actually been paid to the person to whom such payment shall have been due and payable.

Acquittance and discharge of amount of deduction.

Rule 32. When any annual payment as aforesaid shall, by reason of the same being charged on any property or security not being in India or otherwise, be received or receivable without any such deduction as aforesaid, and when any such payment shall be made from profits not charged by this Act, or when any interest of money shall not be reserved or charged, or payable for the period of one year, then and in every such case there shall be charged upon such interest, annuity, or other annual payment as aforesaid, the Duties herein mentioned according to, and subject to the several provisions by which the Duties in the third Case of Schedule 2 may be charged.

All other interest how to be charged.

Rule 33. Whenever it shall be proved to the satisfaction of the Collector or Commissioners acting in the place where any person making the application shall reside, that any annuity, interest of money, or other annual payment shall be annually paid out of the profits *bonâ fide* accounted for and charged by virtue of this Act, at the rate and according to the Rules specified in Schedule 2, without any deduction on account thereof, it shall be lawful for the Collector or Commissioners to grant a certificate thereof under the hands of any one of them, in the form to be prescribed as aforesaid, which certificate shall entitle the person so assessed, upon payment of such annuity, interest, or other annual payment, to deduct so much thereof as a like rate on such annuity, interest, or other annual payments would amount unto.

Deduction on payment of interest of money and other payments from profits under Schedule 2 to be made under a certificate.

But no such certificate shall be required where such payments are to be made out of the profits arising from any land or house as before mentioned, or of any office or employment of profit, or out of any annuity, or pension, or any dividend or share in such public annuities as are herein mentioned, but such deductions in all such cases may be made without having obtained such certificate.

In what cases deductions may be made without certificate.

Rules as to Districts in which persons are chargeable.

Rule 34. Every Body Corporate, Company, or Society shall be charged to the Duties contained in this Act by the Collector or Commissioners acting for the place where the head Office in India of such Body Corporate, Company, or Society is situate.

Where Corporations, Companies, or Societies are Chargeable.

Rule 35. Every person being a householder, except persons engaged in any trade, profession, or employment, shall be charged to the said Duties contained in Schedule 2 by the Collector or Commissioners acting for the place where the dwelling-house of such person shall be situate.

Where householders, other than persons engaged in any trade, profession, or employment, are chargeable.

Rule 36. Every person engaged in any trade, profession, or employment shall be charged to the said Duties contained in the said Schedule 2, by the Collector or Commissioners acting for each place where such trade shall be carried on or such profession or employment shall be exercised.

Where persons engaged in any trade, &c., are chargeable.

Rule 37. When any trade shall be carried on in India by the manufacture of goods, wares, or merchandize, the assessment thereon shall be at the place of manufacture, although the sale of such goods, wares, or merchandize shall be elsewhere.

Where manufacturers are to be assessed.

Rule 38. Every person not being a house-holder, nor engaged in any trade, profession, or employment, who shall have any place of ordinary residence, shall be charged by the Collector or Commissioners acting for the place where such person shall ordinarily reside.

Where persons, not being house-holders nor engaged in trade &c., are chargeable.

Rule 39. Every person not hereinbefore described shall be charged by the Collector or Commissioners acting for the place where such person shall reside at the beginning of each year.

Where persons not hereinbefore described are chargeable.

Rule 40. Every such charge shall be valid and effectual, notwithstanding the subsequent removal of the person so charged from such place.

Every charge made as aforesaid not affected by subsequent removal.

Rule 41. Every person not being engaged in any trade, profession, or employment, having two or more houses at which he shall be ordinarily resident, shall be charged by the Collector or Commissioners acting for each place where such houses shall be situate.

Persons not engaged in trade, having more than one dwelling-house, where chargeable.

Rule 42. Every person having two or more residences, or carrying

Persons having more than one residence, or carrying on trade in different places, shall be called on to make returns at each place.

on any trade, or exercising any profession or employment in different places, or in any place different from the place of his ordinary residence, shall be served with a notice in each of such places, and shall deliver in each of such places the like

returns and declarations as he is required to deliver by this Act. Such person shall in each of his returns state all the places in which he carries on any trade, or exercises any profession or employment, the place of his ordinary residence, and the place where he resided at the beginning of the current year.

Rule 43. The Duties to be assessed by virtue of this Act, in respect

Profits from foreign possessions to be charged in Districts where persons chargeable reside or carry on trade.

of the profits or income arising from possessions or securities out of British India, whether within any other of Her Majesty's dominions or not, shall be stated to and assessed by the Collector and Commissioners respectively acting for the

place where the person receiving or entitled to the same shall reside or carry on any trade or profession.

Rule 44. No person who shall be liable to be charged in different

No person chargeable in different places to be liable to double payment.

places under this Act shall be liable to any double payment in respect of the same property or source of income.

Rules for Temporary Residents in India.

Rule 45. No person who shall, on or after the passing of this Act,

Temporary residents to be charged in respect of income and profits out of India after six months' residence, but not before.

be in India for some temporary purpose only, and not with any view or intent of residing therein for a period exceeding six months in the whole from the commencement of such residence, and who shall not actually have resided in India at

one time or at several times for a period equal in the whole to six months in any one year, shall be charged with the Duties mentioned in Schedule 2 as a person residing in India in respect of the profits or income received from or out of any possessions, property, or securities, not being in India, or from any trade, profession, or employment not carried on in India.

Rule 46. Every such person, if he shall actually reside or remain in

Duties where and for what year chargeable.

India for such period as aforesaid, shall be chargeable to the said Duties in the place in which he shall reside or be, for the year commencing on the

1st day of August preceding.

Rule 47. Every such person who, having quitted India as aforesaid, shall return to India and complete within the year of assessment a residence of six months, shall be chargeable to the said Duties in the place wherein he shall reside or be, as a person residing in India, for the whole of the year in which such assessment shall have been made.

General Rule.

Rule 48. All returns and declarations, containing the amount of profits or income charged under Schedule 2, may be delivered sealed up, if superscribed with the name and place of abode of, or place of exercising the profession or employment, or carrying on trade by the person by whom the same shall have been made.

PART IX.

Rules under Schedule 3.

XCIX. The Duties hereby imposed contained in the Schedule marked Assessment of Duties under Schedule 3. 3 shall be assessed and charged under the following Rules, that is to say:—

SCHEDULE 3.

Rule 1. The said last-mentioned Duties shall be assessed by the Ex-Officio and Special Assessors herein authorized to make the assessment on any interest, annuities, dividends, or shares of annuities charged in the said Schedule 3, and shall be deducted by the officers and persons entrusted with the payment of such interest, annuities, dividends, or shares of annuities on behalf of the persons entitled thereto. Such Duties shall extend to all interest, annuities, dividends, or shares of annuities whatever payable in India, out of any public revenue, which shall become due on or after the 1st day of August 1860.

Rule 2. All Promissory Notes of the Government of India which shall be enfaced for payment of the interest thereon out of India either by Drafts or Bills on India or otherwise, shall in all cases be enfaced subject to the condition that the amount of any Duties which may at any time be chargeable in India in respect of such interest, shall be

deducted therefrom at the place where the interest shall be paid, or the Drafts or Bills shall be given.

Rule 3. The officers and persons entrusted with the payment of the said interest, annuities, dividends, or shares of annuities shall set apart and retain the amount of Duties so assessed on the interest, annuities, dividends, and shares for the purposes of this Act.

Officers entrusted with payment of interest to set apart and retain Duties.

Rule 4. Every such setting apart and retaining of the said Duties shall be deemed a payment thereof by, or on the behalf of, the persons entitled to the said interest, annuities, dividends, and shares of annuities respectively.

Such setting apart and retention to be deemed a payment.

Rule 5. All persons are hereby required, on receipt of the residue of the said interest, annuities, dividends, and shares of annuities over and above the Duties so assessed, to allow such payment in respect of the said assessment.

Such payment to be made on receipt of residue.

Rule 6. The officers and persons entrusted as aforesaid, and the Secretary of State in Council, and all persons responsible for the due payment of such interest, annuities, dividends, and shares of annuities, shall be acquitted and discharged of and from so much money so set apart and retained as aforesaid, as if the same had actually been paid to the persons to whom such interest, annuities, dividends, and shares did, or might belong, or were by law payable.

Acquittance and discharge in respect of such payments.

PART X.

Rules under Schedule 4.

C. The Duties hereby imposed, contained in the Schedule marked 4, shall be assessed and charged under the Rules hereinafter mentioned; and the said Duties shall be annually charged on the persons respectively holding or exercising the offices or employments of profit mentioned in Schedule 4, or to whom the annuities, pensions, or salaries mentioned in the said Schedule shall be payable. The Duties in respect of every annuity, pension, or salary shall be assessed upon the amount of such annuity, pension, or salary, and the Duties in respect of every office or employment shall be assessed upon the amount of all salaries, fees, commissions, or other profits accruing by reason

Assessment of Duties under Schedule 4 on salaries, perquisites, or profits of offices, annuities, salaries, and pensions.

of such office or employment, whether the same be paid by Government, or received from any other person whatever, or be deducted by the person holding such office or employment from any funds in his possession.

CASE 1.—*Public offices, and employments; and annuities, pensions, and salaries payable by the Government of India.*

Rule 1. Every assessment in respect of every such annuity, and pension, and salary, and every assessment in respect of
 Assessment when to be made. every salary or payment made by Government to any public officer, shall in cases requiring audit be made at the time of audit, and in all other cases at the time of payment.

Rule 2. The said Duties shall be paid on the profits or income arising from any public office or employment of the
 Descriptions of offices charged. description hereinafter mentioned, or arising to any of the officers hereinafter mentioned when serving in India.

(1.) Any office or employment held under the Government, or the salary whereof, or emoluments attached thereto, are payable by the Government, or out of any public revenue in India.

(2.) Any Commissioned Officer belonging to Her Majesty's Army or to Her Majesty's Indian Forces.

(3.) Any Commissioned Officer in Her Majesty's Navy, in respect of any emoluments received by him from the Government of India.

(4.) Any Commissioned Officer in the Indian Naval Forces of Her Majesty, or in the Marine Establishment.

(5.) Any office or employment of profit held in any Court of Justice.

(6.) Any office or employment of profit under any public institution, or on any public foundation, of whatever nature, or for whatever purpose the same may be established.

(7.) And every other public office or employment of profit of a public nature.

Rule 3. Every public officer chargeable under Schedule 4 of this Act in respect of any fees, commissions, perquisites, or
 Fees or perquisites to be estimated on profits of preceding year. profit not being salaries to be assessed under Rule 1, shall be subject to and shall be assessed under the provisions of the 4th Part of this Act, and such fees, commissions, perquisites, and profits shall be estimated on the receipts in respect

thereof during the preceding year ending on the 30th of April, or on any other day on which the accounts of such fees, commissions, perquisites, and profits have been usually made up.

CASE 2.—Rules for offices or employments of profit under any Company in India.

Rule 4. When the salaries, perquisites, or profits of any person chargeable with the Duties under Schedule 4 shall arise from any office or employment of profit under any Company in India, in whose employment the person chargeable shall be, the assessment shall be made by an Assessor who shall be specially entrusted with the duty of making such assessment by the Collector or Commissioners of the place where such Company shall have its head office.

Rule 5. Every person holding any office or employment in or under any Company in India as aforesaid, shall be deemed to have exercised the same at the head office in India of the Company under which such office or employment shall be held, and shall be assessed for such office or employment, as if exercised at such office, although the duties of such office or employment shall be performed, or any part of the profits arising from such office or employment shall be payable elsewhere, whether within or out of India.

Rule 6. The Assessor appointed to make assessments under these Rules shall, as soon as such assessment is completed, make an abstract of the same in the form to be prescribed as aforesaid, and shall forward such abstract to the Collector or Commissioners of the place where such head office is held, and shall deliver a copy of the same at such head office. If the Assessor be not satisfied with the return made on behalf of such Company by the Treasurer or other officer making the same under Sections LXXXIX and XCI of this Act, he shall enter his remarks thereon in the said abstract, and shall further assess the officers employed by such Company at such rate as he shall think right. Thereupon the same proceedings shall be taken by the Collector and Commissioners as in the case of individual returns as hereinbefore provided.

Rule 7. The Duties payable on all such assessments shall be paid at the head office in India of such Company, by the Treasurer or other officer of such Company, whose duty it is to pay the salaries of such Company at such office.

Rule 8. When any person holding any such office or employment, in or under any Company in India, shall claim to be exempt from such assessment, the Assessor shall nevertheless set down in such assessment the name of such person, and the full and just annual value of his office or employment, and the claim to such exemption shall be preferred to and examined by the Collector or Commissioners, and the merits thereof shall be heard and determined by the Collector or Commissioners under the regulations of this Act with respect to other assessments.

Rule 9. The Collector or Commissioners shall cause the like duplicate Commissioners to deliver duplicates of assessments to collecting officers. to be made of the said assessments and delivered to collecting officers with like warrants to collect the said Duties, as are by this Act directed to be given to collecting officers for any Districts.

Rule 10. When the Duties hereby chargeable upon any office or employment of profit cannot be detained and stopped according to the provisions of the following Rule 11, or the amount of such Duties shall have been paid over to the person holding or exercising the said office or employment, and such person shall refuse or neglect to pay the sum of money charged upon him, the Assessor for assessing the Duties on the said offices shall certify in writing to the Collector or Commissioners such neglect or refusal, and the sum payable by virtue of this Act. The collecting officer thereupon shall levy the said Duties by the like ways and means, and under the like powers as are herein provided in regard to the Duties under Schedules 1 and 2, and as if such officer or person were charged to the said Duties in such District.

CASE 3.—*Rules applicable to both Cases.*

Rule 11. The sums assessed under the foregoing Sections shall be stopped out of any money which shall be payable to the persons assessed in respect of any salaries, perquisites, profits, and pensions so assessed or the arrears thereof.

Rule 12. In estimating the Duties payable for any such office or employment of profit, or on any annuity, pension, or salary, all official deductions and payments made upon the receipt of the salaries, perquisites, and profits thereof, or in passing the accounts belonging to such office, or upon the receipt of such annuity, pension, or salary, shall be deducted.

Rule 13. When any person, holding any office or employment of profit in respect of which he is liable under these Rules, shall, at any time during or in respect of any year of assessment, become entitled to any additional salary, perquisite, or profits beyond the amount for which any assessment may have been made upon him, or beyond the amount for which, at the commencement of such year, he may have been liable to be assessed, an additional assessment shall, from time to time, as often as the case shall require, be made upon such person for such additional salary, perquisite, or profits, so that he shall be assessed and charged for the full amount of the whole of the salary, fees, and emoluments, which he shall receive or become entitled to at any time, and from time to time, during or in respect of the said year of assessment.

Public officers becoming entitled to increased salaries to be charged for the same by supplemental assessment.

Rule 14. Such portion of the said Duties under Schedule 4 on offices or employments of profit, or on annuities, pensions, or salaries as is charged upon any sum of money payable to any other person, shall be deducted out of the sum payable to such other person; and such person, his agent, or receiver, shall allow such deductions and payments upon receipt of the residue of such sums.

Duties charged on sums payable to any other person to be deducted out of the same.

Rule 15. Such portion of the Duties as shall be charged on any office or employment of profit executed by any deputy or clerk, or other person employed under the principal in such office, and paid by such principal out of the salary or profits of such principal, shall be deducted out of the salary or profits so payable, and all such deputies, clerks, and other persons so employed shall allow to their respective principals such deductions and payments upon the receipt of the residue of such salaries or wages.

Duties paid by the principal in an office upon salary paid to a deputy or clerk to be deducted out of such salary.

Rule 16. If any office or employment of profit chargeable by Schedule 4 shall be executed by deputy, such deputy shall, in all cases where he shall be in the receipt of the profits thereof, be answerable for and shall pay such Duties as shall be charged thereon, and deduct the same out of the profits of such office or employment.

Deputy to pay for principal when in receipt of the profits.

Rule 17. When the salaries, fees, or profits of any officer or officers chargeable under this Schedule shall be receivable by any one or more of the said officers for the use of such officers, to be divided amongst such officers in certain proportions, the officer or officers receiving such salaries, fees, or profits, shall be answerable for the Duties charged thereon, and shall

Officers receiving salaries or fees to be answerable for Duties.

pay and deduct the same out of the funds provided for such respective offices or employments before any division or apportionment thereof.

Rule 18. Such portion of the said Duties as shall be stopped and
 Duties when to be de- deducted under this Schedule shall be stopped and
 deducted. deducted at such times in each year as the said
 sums shall be payable to the person entitled thereto.

PART XI.

Discretionary modes of Assessment in particular Districts.

CI. Except in the Presidency Towns and Stations of the Straits Settlement, it shall be lawful for the local Government, from time to time, to order that the assessment under Schedule 1 or Schedule 2 of this Act, in any part of the territories under such Government, or among any class of inhabitants of any part of such territories, or in respect of any one or more of the inhabitants of such territories, shall be made by Panchayet, to consist of not less than three persons, or by the Collector or by any officer whom such local Government shall specially appoint for the purpose.

Assessment by whom to be made in places other than the Presidency Towns or Straits Settlement.

CII. When the assessment is ordered to be made by Panchayet, the Members of the Panchayet shall be appointed by the Collector or by any Deputy Collector specially authorized to make assessments under Section XXII of this Act.

Appointment of Panchayet.

CIII. If the assessment is ordered to be made by the Collector or other officer aforesaid, such Collector or other officer shall be guided in making the assessment by the general provisions of this Act, and all returns of profit and income, or other returns required by this Act, shall be made to such Collector or other officer.

When Collector &c. is ordered to make assessments.

CIV. If any person residing in any place in which the assessment is ordered to be made by Panchayet shall, before any proceedings are taken by the Panchayet, object to be assessed by Panchayet, such person shall be assessed by the Collector or by any officer specially appointed as aforesaid under the ordinary provisions of this Act, as if no such order for assessment by Panchayet had been made.

If any person object to be assessed by Panchayet.

CV. If the Collector shall not be satisfied with the assessment made by the Punchayet, he may require the Punchayet to reconsider and revise the same.

Collector may require Punchayet to re-consider and revise assessment.

CVI. If the Collector shall not be satisfied with the assessment made by the Punchayet after he shall have required them to re-consider the same, or if the Punchayet shall refuse or neglect to revise and alter the same to the satisfaction of the Collector, the Collector shall certify that he is dissatisfied with the assessment made, and thereupon no further proceedings shall be held under the said order; but the several persons in the territories affected by such order, and chargeable with the said Duties, shall be assessed to the said Duties in the manner prescribed in and according to the ordinary provisions of this Act, and shall be liable to make all the returns and declarations, and to do the several acts and things in order to the said assessment and shall be subject to the same proceedings as in this Act provided, as if no such order had been made.

If the Collector be dissatisfied, the assessment shall be made according to the ordinary provisions of this Act.

CVII. If the Collector shall be satisfied with the assessment made by the Punchayet as aforesaid, he shall confirm the same, and shall cause proclamation to be made in the part of the District where the persons affected thereby reside, that he has confirmed the said assessment.

Collector, if satisfied, shall confirm the assessment.

CVIII. The assessment so confirmed shall be final and conclusive, unless the same shall be disallowed or varied upon any such appeal or further proceeding as hereafter mentioned, and the assessment shall also be subject to be surcharged in respect of fraud, as provided in this Act.

Such confirmation shall be final and conclusive, except in cases of appeal or fraud.

PART XII.

Appeals from Assessment by Punchayets.

CIX. If any person assessed by a Punchayet shall be dissatisfied with the assessment, such person may, within fifteen days after the proclamation of the said assessment in the part of the District in which such person shall reside at the time of the assessment, or within such further period as the Collector for any special reason may allow, appeal to the Collector of the District.

Persons dissatisfied may appeal within fifteen days.

Proceedings upon appeal shall be according to Part IV of this Act.

CX. The appeal shall be made and the proceedings upon any such appeal shall be conducted according to the provisions of Part IV of this Act.

CXI. The person so appealing shall make all such returns and declarations, and shall do all such acts and things as are required by Part IV of this Act, and shall be subject to the several provisions in the said Part IV of this Act.

Appellant required to do certain acts.

CXII. If, upon the hearing of such appeal, the Collector is satisfied that the assessment upon the person appealing is erroneous and excessive, the Collector shall reduce the assessment on such person, and shall settle in what sum the person so appealing ought to be assessed, and make an assessment on him accordingly. Such assessment shall be final and conclusive, subject only to such surcharge in the case of fraud as provided in this Act.

Collector, if satisfied upon such appeal, shall reduce the assessment.

CXIII. If, upon the hearing of such appeal, the person so appealing shall not satisfy the Collector that the assessment upon him is erroneous and excessive, his appeal shall be dismissed, and if it shall appear to the Collector that the appeal is frivolous or vexatious, the party appealing shall be liable to be charged by the Collector to the said Duty in a sum not exceeding double the amount at which he was assessed under the said assessment.

Collector, if dissatisfied, shall dismiss the appeal, and may charge double assessment.

CXIV. In all cases of appeal, it shall be lawful for the members of the Punchayet from whose assessment the appeal shall have been preferred, or any of them, to attend before the Collector and to support their assessment, and the Collector may summon the members of the Punchayet to attend for such purpose.

Members of Punchayets may attend before the Collector and support their assessment when appealed from.

CXV. It shall be lawful for the local Government, from time to time, to make Rules not inconsistent with the provisions of this Act for carrying out the provisions of this Act, for assessment by Punchayet, and disposing of appeals from such assessment.

Local Government to make Regulations for the execution of this Act.

PART XIII.

Exemptions.

CXVI. No person shall be chargeable to any Duty under this Act, who shall prove to the satisfaction of the Collector or Commissioners, in the manner hereinafter mentioned, that the aggregate amount of his annual income or profits, from whatever source derived, estimated under the Rules of this Act, is less than two hundred Rupees. Any person so satisfying the Collector or Commissioners as aforesaid shall be entitled to be repaid the amount of any deduction or payment on account thereof, in the manner hereinafter directed, except so much of such Duty as the person claiming such exemption shall be entitled to charge against any other person, or to retain from any payment to which such claimant may be liable.

Exemption of persons whose income is less than two hundred Rupees yearly.

CXVII. No person who shall prove to the satisfaction of the Collector or Commissioners that the aggregate amount of his profits or income, from whatever source derived, estimated as aforesaid, though amounting to two hundred Rupees a year, is less than five hundred Rupees, shall be charged with more than two Rupees of every hundred Rupees of the annual value of his profit or income, or shall be charged with any part of the Duty of one Rupee per centum chargeable under Section III of this Act for roads, canals, and other reproductive public works. Any person so satisfying the Collector or Commissioners, as aforesaid, shall be entitled to be repaid the amount of any deduction or payment on account of the said Duty of one per cent, or of the excess of the said Duty of three per cent., from which he shall be so exempted as aforesaid, except as in the last preceding Section of this Act is excepted.

Claims for exemption in the preceding Sections mentioned, and proceedings thereon, shall be determined before Collector or Commissioners.

CXVIII. The exemption allowed by the foregoing Sections shall be claimed and proved, and all proceedings thereupon shall be had, before the Collector or Commissioners of the place where the claimant is charged, whether such claimant shall be personally charged in such place or not.

Persons entitled to such exemptions shall deliver to the Assessor a statement, stating the source of income.

CXIX. Every person assessed under this Act claiming to be entitled to such exemption as aforesaid shall, within the time to be limited as hereinbefore directed for delivering in the returns and declarations required by this Act, or within such further time as the Collector or Commissioners respectively shall for

special cause assigned allow, deliver or cause to be delivered to the Assessor of the place where such claimant shall reside, a notice of his claim to such exemption, together with a declaration signed by such claimant and in such form as shall be prescribed as aforesaid, declaring and setting forth therein all the particular sources from whence the income of such claimant shall arise, and the particular amount arising from each source, and also every sum of annual interest or other annual payment reserved or charged thereon, whereby the income shall or may be diminished, and also every sum which such claimant may have charged, or may be entitled to charge against any other person, on account of the Duties made payable by this Act, or which he may have deducted or may be entitled to deduct under the authority of this Act, from any payment to which he may be liable.

Assessor to transmit such statement to Collector or Commissioners.

CXX. The Assessor shall transmit such return and declaration to the Collector or Commissioners.

CXXI. If it shall appear to the said Collector or Commissioners that any property or profits of such person is or are assessed, or liable to be assessed in any other place, the Collector or Commissioners shall certify to the Chief Revenue Authority of the Presidency, Lieutenant-Governorship, or Province, in such form as shall be prescribed as aforesaid, the allowance of exemption in respect of such property or profits; and the Chief Revenue Authority shall direct the assessment made upon any profits or income of such claimant, in any other place, to be discharged either wholly or to the extent of such excess, as aforesaid, as the case may require, and the same shall be discharged accordingly.

CXXII. If it shall be proved to the satisfaction of the Collector or Commissioners, that any person, whose claim to exemption has been allowed in manner aforesaid, has been charged to and has paid any Duty under this Act by way of deduction from any rent, annuity, interest, or other annual payment to which he may be entitled, and from which a deduction is authorized to be made by this Act; or that such person has been assessed and has paid such Duty in respect of any interest, annuity, dividend, pension, or salary payable to him out of the public revenue, in such case it shall be lawful for the said Collector or Commissioners respectively, to certify what shall have been so proved, and thereupon the same shall be repaid in such manner and under such rules as the local Government shall from time to time prescribe.

On proof that persons entitled to exemption have been charged with Duties by the deduction from any annuity, dividend, and rent, Commissioners to grant certificate thereof, which shall authorize the Collector to re-pay the amount of such Duties.

CXXIII. When the whole profit or income of the claimant shall arise from an office or employment of profit, or from an annuity, pension, or salary, the assessment on which is made by an Ex-Officio or Special Assessor, the claim to such exemption shall be made to and may be allowed by such Ex-Officio

In case of incomes of offices, pensions, and salaries, the claim shall be made before the Assessors.

or Special Assessor.

CXXIV. If the claimant shall be out of India, an affidavit stating the several matters required by this Act, taken before any person having authority to administer oaths and affirmations in the place where such

Persons out of British India may claim by affidavit.

claimant shall reside, may be received in relation to the assessment on which such claim is founded.

CXXV. A claim for exemption may be made by a guardian, trustee, agent, or factor, on account of others, in any case where satisfactory proof shall be given that the party claiming such exemption is unable to attend

Claims may be made by Agents or Trustees on account of others.

in person, or such claim may be made by the several persons acting in any of the characters hereinbefore described in such manner as they may act for others for the purpose of being assessed on their account in the first instance, as hereinbefore directed.

CXXVI. No person shall be chargeable to the Duties under this Act in respect of the profits derived by Government from any property, real or personal, vested in, or held in trust for the Government, or the Secretary

All Government property exempted.

of State for India in Council, for public purposes; and all such profits shall be wholly exempted from the said Duties.

CXXVII. Officers, Non-Commissioned Officers, and Privates of Her Majesty's Forces, or of Her Majesty's Indian Military Forces, or of any Military Police or other Police Force, whose pay and allowances shall be less than the pay and allowances of a Captain of Infantry in Her Majesty's Forces in India, shall

Officers and Soldiers of any Military or Police Force, whose pay and allowances are less than those of a Captain of Infantry, exempted.

be wholly exempted from the said Duties in respect of any pay or allowance which they may receive from Her Majesty, or from the Government, or from any public Revenue.

CXXVIII. Officers of Her Majesty's Navy or of the Indian Naval forces, or in the employment of Government in the Marine Department not above the rank of Lieutenant, and all Warrant and Petty Officers

Naval and Marine Officers not above the rank of Lieutenant, exempted.

and Seamen shall in like manner be exempted from the said Duties.

CXXIX. Public Officers, Civil, Military, or Naval, shall be wholly

Public Officers exempted in respect of travelling and other allowances.

exempted from the said Duties in respect of any allowance received by any such Officer for travelling expenses, contract allowances, tent or horse allowance, or any allowance in lieu of house-rent, or to meet any disbursement for the public service.

CXXX. Ryots and persons in the occupation of lands for agricultural

Ryots &c. paying less than 600 Rupees yearly, exempted.

purposes and actually engaged in the cultivation and depasturing of the same, shall not be chargeable with the said Duty in respect only of the occupation of such lands, unless the rent paid by such ryots or persons in respect of such occupation, whether under direct engagement for the same with Government or not, shall amount at least to six hundred Rupees per annum, or unless the full annual value of such land at a rack rent shall exceed that amount.

CXXXI. Persons occupying houses for the purpose of habitation only,

Persons occupying houses at a rack rent, exempted.

and holding the same at a rack rent, shall not be chargeable with the said Duties in respect of their occupation only of such houses.

CXXXII. The Assessor in his assessment of houses actually occupied

Deduction on account of repairs of house.

shall deduct such amount for repairs as the owners thereof shall prove to his satisfaction to have been expended, not exceeding a sum equal to the rent of such houses for six months in every three years.

CXXXIII. It shall be lawful for the local Government, subject to

Power to exempt property used for charitable purposes or public religious purposes.

the approval of the Governor-General of India in Council, to order that any property, moveable or immoveable, solely employed for or dedicated to religious or charitable public purposes, shall be wholly or partially exempted from the Duties chargeable under this Act, and to make such orders as may be necessary for securing and carrying into effect such exemption.

CXXXIV. Any person who shall have made insurance on his life, or

Persons who have made insurance or contracted for a deferred annuity on the lives of themselves or wives, to be allowed an abatement of Duties in respect of the annual premiums or sums paid.

on the life of his wife, or shall have contracted for any deferred annuity on his own life, or on the life of his wife, in or with any Insurance Company duly registered under any Act of the imperial Parliament or under any Act of the Governor-General of India in Council, or authorized by law to carry on business without registration, and any person who shall be liable to the payment of any

periodical sum or to have any sum periodically deducted from his salary, in order to secure a deferred annuity to himself or to his widow, or a provision to his children after his death, shall be entitled to deduct the amount so paid by him for such insurance or contract or deducted from his salary as aforesaid, from any profits or income in respect of which he shall be liable to be assessed under any of the Schedules of this Act, excepting Schedule 3; or to have any assessment which may be made upon him under any of the said Schedules, except Schedule 3, reduced or abated by the deduction of the amount of the said annual premium or sum from the amount of the profits or income on which such assessment has been made.

CXXXV. If such person shall be assessed to Duties under any of the Schedules contained in this Act and shall have paid such assessment, or shall have paid or been charged with any of the said Duties by deduction or otherwise, such person, on claim made to the Collector or Commissioners and on production to them of the receipt for such annual payment or sums, and on proof of the fact to the satisfaction of the said Collector or Commissioners, shall be entitled to have repaid to him such proportion of the said Duties paid as the amount of the said premium or sum bears to the whole amount of his profits on which he shall be chargeable under all or any of the Schedules of this Act.

CXXXVI. No such abatement, allowance, or repayment as aforesaid, shall be made in respect of any such premium or sum beyond one-sixth part of the whole amount of the profits and income of such person so chargeable as aforesaid, nor shall any such deduction or abatement entitle any such person to claim exemption from Duties, on the ground of his annual profits or income being thereby reduced below two hundred Rupees, or five hundred Rupees, as the case may be.

PART XIV.

Abatement and Relief from double Assessments.

CXXXVII. Whenever any person shall have been assessed to any of the Duties imposed by this Act, whether charged on him on his own account, or in any of the characters hereinbefore described on the behalf of any other person, and shall, by any error or mistake, be again assessed for the same cause and on the same account and for the same year, it shall be lawful for him to apply to the Collector or Commissioners acting for the place in which he shall have been so assessed, for the purpose of

Re-payment of such Duties if already paid.

No abatement or repayment in respect of premium &c., beyond one-sixth of total profits or income.

Collector or Commissioners to grant relief from double assessments.

being relieved from such double assessment, and the Collector or Commissioners, on proof thereof to their satisfaction, shall cause such assessment or such part thereof as shall be a double charge as aforesaid to be remitted.

CXXXVIII. Whenever any double assessment shall have been so remitted, it shall be lawful for the Collector or Commissioners to direct the repayment thereof in such manner and under such rules as the Governor-General of India in Council shall prescribe.

Governor-General in Council to prescribe rules for re-payment of double assessment.

CXXXIX. If within or at the end of the year for which any assessment shall be made under this Act, any person charged to the Duties contained in Schedule 2 shall prove to the satisfaction of the Collector or Commissioners that interest or profits during the year for which the assessment was made, fell short of the sum on which the assessment (not being a Composition) was made, it shall be lawful for the Collector or Commissioners to cause the assessment for such current year to be amended in respect of such source of profit as the case shall require; and in case the Duties charged on such assessment shall have been paid, to order the repayment of the same in such manner and under such rules as the Governor-General of India in Council shall prescribe.

Abatement on account of diminution of income, how to be allowed.

CXL. If any person charged to the Duties under Schedule 2 shall cease to exercise the profession or employment or to carry on the trade in respect to which the assessment was made, or shall die, or become bankrupt, or insolvent, before the end of such year, or shall from any other cause be deprived of, or lose the profits on which the assessment was made, such person or his representative may make application to the Collector or Commissioners within any period not exceeding three calendar months after the end of such year, and on proof thereof to their satisfaction, the Collector or Commissioners shall cause the assessment to be amended as the case may require, and re-payment of any Duties ordered to be remitted shall be made in such manner and under such rules as the Governor-General of India in Council may prescribe.

Abatement to be allowed when persons shall cease to exercise any trade, or shall die before the end of the year.

CXLI. When any person shall have succeeded to the trade of the person charged, no such amendment shall be made, unless it shall be proved to the satisfaction of the Collector or Commissioners that the profits of such trade have fallen short from some cause, since such change took place, and by reason thereof, but such person shall be liable to the payment of the full Duty without any new assessment.

Procedure in cases of succession to the trade of a person charged.

PART XV.

Mode of Payment and Collection of the Duties.

CXLII. The Duties assessed under this Act, except where the same shall be detained and stopped as the pensions, salaries, allowances, interest, and annuities chargeable therewith become due at the respective offices, shall be payable in each year by instalments at the times following, that is to say, on or before the 1st day of November for the first quarterly instalment, on or before the 1st day of February for the second quarterly instalment, on or before the 1st day of May for the third quarterly instalment, and on or before the 1st day of August for the last quarterly instalment in each year. Provided that it shall be lawful for the local Government to prescribe such other periodical instalments and such other periods of payment as it shall think proper; and the orders of such local Government shall be notified by proclamation in the Districts to which such orders relate, in the manner usual in such Districts.

CXLIII. The Collector or Commissioners authorized to make assessments in respect of the assessments made by them shall, as soon as possible after the assessments shall have been determined, issue out and deliver to the respective collecting officers, duplicates of the assessments of the Duties charged in the respective Schedules, distinguishing the amounts charged under each of the said Schedules.

CXLIV. Such duplicates shall, except in the cases provided for in Part XVI of this Act, contain the names and descriptions of the persons assessed and charged.

CXIV. Such duplicates shall be a sufficient warrant and authority to the collecting officers for the levying and collecting of the said Duties specified in the duplicates, as the same shall become payable by such instalments as aforesaid, and such collecting officers shall proceed forthwith to levy and collect the same.

CXLVI. Whenever any Treasury or office shall be appointed by the local Government for the receipt of money under this Act, the payment of the Duties chargeable under this Act may be made by or on account of the person liable to the same at such Treasury or Office.

CXLVII. Whenever any payment shall be made at such Treasury or office, or to any collecting officer, to whom a duplicate of the assessment as aforesaid shall have been delivered by the Collector, of any instalment of Duties assessed under this Act, the officer receiving the amount shall give a receipt under his hand to the person who shall pay the same, and such receipt shall be a full and complete discharge for the money so paid.

CXLVIII. The Collector or Commissioners shall cause general notice to be given in their respective jurisdictions, by proclamation in the manner usual therein, of the Treasuries or offices appointed by the Government for the receipt of the said Duties, and of the officers or persons to whom the said Duties may be paid.

Collector or Commissioners to give general notice of appointment of Treasuries, and of Officers to whom Duties are to be paid.

PART XVI.

Mode of Payment of Duties under Schedule 2, when parties desire to pay according to Numbers or Letters.

CXLIX. The assessments upon profits or income under Schedule 2 made by the Collector or Commissioners, shall be entered in books with the names and descriptions of the persons to be charged therewith, and their respective places of abode set opposite thereto, which entries shall be distinguished by numbers or letters, as the Collector or Commissioners shall think proper.

Assessments under Schedule 2 to be entered in books.

CI. When the person charged with any Duties under Schedule 2, and whose name and description shall have been entered as aforesaid, shall have declared his intention to pay the Duties at the proper Treasury or office or to the proper officer within the time limited by this Act for payment thereof, if the Collector or Commissioners shall be satisfied with such declaration, they shall deliver to such person, or to any other person attending on his behalf, a certificate under the signature of the Collector or of two or more of the Commissioners, specifying the amount to be paid by such person for one year upon such assessment.

Certificate of assessment to be delivered to persons.

CLI. Every such certificate shall be numbered or lettered with the same number or letter as the entry in the book to which the certificate shall relate, without naming or otherwise describing the person charged.

Certificate to be numbered and lettered.

CLII. Such certificate shall, on production thereof, be a sufficient authority to the officer in charge of such Treasury or office or to such collecting officer to receive from the person producing such certificate, the amount therein mentioned in such proportions thereof as by this Act are made payable by instalments, and at the times by this Act appointed for payment thereof.

CLIII. On the payment of the sums contained in such certificate, or any proportion thereof, the said officer in charge of such Treasury or office or the collecting officer shall give an acknowledgment for the same as paid on account of the certificate of the Collector or Commissioners by the number or letter marked therein as before directed.

CLIV. It shall be lawful for the Collector or Commissioners to issue out and deliver to the respective collecting officers duplicates of the assessments made by them, containing the sums assessed on every person to whom a certificate hath been delivered by letter or number, together with the number or letter set opposite thereto in their respective books before mentioned, without naming such persons, and all such sums shall be paid to the collecting officers: and such part thereof as shall not be so paid to them, may be levied and collected as herein is provided.

CLV. The Duties payable on such last-mentioned assessments under Schedule 2 shall be paid at the proper Treasury or office, or to the proper officer for receipt, by such instalments as by this Act is directed, on or before the respective days appointed for the payment of the same.

CLVI. The acknowledgment hereby required to be given on such payment shall be delivered to the Collector or Commissioners, before the time when the amount is hereby made payable, and the Collector or Commissioners shall grant receipt for the same. Such receipt shall be a sufficient discharge for the money so paid, in satisfaction of so much of the assessment as shall be mentioned in such certificate to be so paid.

CLVII. If any person shall neglect to pay the Duties at the time and in the manner hereby directed for payment thereof, or having paid the same, shall neglect to deliver the acknowledgment required to be given on such payment as hereinbefore directed, the Collector or Commissioners shall deliver a duplicate in the ordinary form of the assessment on any person

who shall have made default in paying or accounting for the payment of the same, with his name and description, to the collecting officer, in order that he may levy the sum in arrear and unpaid, and such sums shall thereupon be levied according to the provisions hereinafter contained.

CLVIII. When the Collector or Commissioners shall not have received a declaration of the intended payment to the

When parties are not assessed by a number or letter, Commissioners to deliver duplicate to collecting officer for collection.

Treasury or office of the Duties to be charged under Schedule 2, or shall not be satisfied with such declaration, they shall deliver a duplicate of the assessment to the collecting officer with the

name and description of the parties charged therewith as provided in Section CXLIII of this Act.

CLIX. If after the receipt of any such declaration, the Duties shall not be paid, the Collector or Commissioners shall

If after declaration of intention to pay under number or letter default is made, Collector or Commissioners to deliver duplicate to collecting officer.

cause the name of the defaulter, and the amount of Duties assessed on him, to be inserted in the duplicate assessment of the collecting officer, and such duplicate shall be of the like force and effect for collecting the sum, and such sum shall be levied

as if such name and sum had been inserted therein at the time of issuing such duplicate.

PART XVII.

Recovery of Duties.

CLX. Whenever the amount of any instalment of the said Duties shall not be paid by any person liable to pay the

In default of payment, collecting officer may proceed to recover arrears by distress or attachment and sale of moveable and immoveable property.

same on the day appointed for the payment of such instalment, the collecting officer shall proceed for the recovery of such instalment by distress and sale of the moveable property, or by the

attachment and sale of the immoveable property of the person so making default as hereinafter provided.

Seizure and sale of moveable property to be made according to following Rules.

CLXI. In the seizure and sale of moveable property for arrears of assessment, the following rules shall be observed:—

1st.—The Collector or Commissioners shall employ a person, hereinafter called the Distraining Officer, to distrain the

Collector or Commissioners to furnish person distraining with a demand in writing.

property, and shall furnish to such officer a demand in writing, signed by the Collector or Commissioners or by some officer empowered by him in

that behalf, specifying the amount of the arrear for which the distress shall be issued, and the date on which the arrear fell due.

2nd.—The Distraining Officer shall produce the writing as authority for making the distress, and on the day on which the property shall be distrained, shall deliver a copy of such writing to the defaulter, endorsing thereon a list or inventory of the property distrained, and the name of the place where the property may be lodged or kept.

3rd.—The writing shall further set forth that the distrained property will be brought to public sale within three days, unless the amount and the expense of the distress be previously discharged.

4th.—When a defaulter shall be absent, a copy of the writing, with the endorsement, shall forthwith be fixed or left at his usual place of residence.

CLXII. When a defaulter, on receiving notice, shall neglect to pay the amount due, or when a defaulter shall have absconded or be otherwise not forthcoming, so that the notice cannot be served upon him, the Distraining Officer shall transmit an inventory of the property distrained to the Collector or Commissioners.

CLXIII. If a defaulter, whose property has been distrained, shall before the day of sale tender payment of the arrear demanded together with payment of the necessary expenses attending the distress, the Distraining Officer shall receive the amount of the arrear and expenses, and shall forthwith release the property.

CLXIV. The distress levied shall not be excessive, and the value of the property distrained shall be as nearly as possible proportionate to the amount of the arrear.

CLXV. The distress shall be made after sunrise and before sunset, and not at any other time.

CLXVI. The Distraining Officer shall have power to force open any stable, cow-house, golah, granary, godown, out-house, or other building, as also to enter any dwelling-house, the outer door of which may be open, (excepting the apartments in such dwelling house appropriated for the zenanah or residence of women, which, by the usage of the country,

are considered private,) and to break open the door of any room in such dwelling-house for the purpose of attaching property belonging to a defaulter and lodged therein.

CLXVII. Where a Distraining Officer shall have reason to suppose that the property of a defaulter is lodged within a dwelling-house, the outer door of which may be shut, or within any apartments appropriated to women, which by the usage of the country are considered private, such officer shall represent the same to the head officer of the Police within whose jurisdiction the house may be situated, and on such representation the head officer of the Police shall send a Police Officer to the spot, in the presence of whom the Distraining Officer may force open the outer door of such dwelling-house.

Powers of distrainer to force open doors in the presence of a Police Officer.

CLXVIII. The Distraining Officer may also in the presence of the Police Officer, after due notice given for the removal of women within a zenanah, and after furnishing means for their removal in a suitable manner, if they be women of rank who, according to the custom of the country, cannot appear in public, enter the zenanah apartments for the purpose of distraining the defaulter's property therein; but such property, if found, shall be immediately removed from such apartments, after which they shall be left free to the former occupants.

Mode of distraining within zenanahs.

CLXIX. On the occurrence of an arrear, or at any subsequent period, the Collector or Commissioners shall have authority to attach at their discretion the whole or such portion of a defaulter's immoveable property as they may deem sufficient to answer the amount in arrear; but the previous sanction of the Chief Revenue Authority of the Division shall, in all cases, be necessary for the sale of immoveable property.

Real property may be attached, but previous sanction of the Chief Revenue Authority of the Division necessary for the sale of immoveable property.

CLXX. When a defaulter shall not have any moveable property, of which distraint can be made, or when, after the moveable property of such defaulter shall have been distrained and sold, the arrear due, with all expenses of the distress and sale is not liquidated by the proceeds of such sale, the Collector or Commissioners may, with such sanction as aforesaid, proceed to sell the immoveable property of the defaulter.

When Collector may sell the immoveable property in addition to the moveable property of the defaulter.

CLXXI. The person or officer employed by the Collector or Commissioners to sell moveable property distrained, or
Proclamation to be made of the time of sale and of the property to be sold. immovable property attached under this Act, shall cause to be affixed to the outer door of the defaulter's house a list of the property to be sold, with a notice specifying the place where, and the day and hour at which the property will be sold, and shall cause proclamation of the intended sale to be made in the manner usual in the District in such place or places as the Collector or Commissioners may consider necessary to give due publicity to the sale.

CLXXII. No sale of immovable property shall take place until after
No sale of such property to take place till after fifteen days. the expiration of a period of fifteen days from the the date on which the notice may be so affixed.

CLXXIII. At the appointed time, the property, moveable or immovable, shall be put up for sale under the order of
Sale how to be conducted. the Collector or Commissioners in one or more lots, as the Collector or Commissioners or the Officer employed by them in that behalf shall direct, and shall be sold to the highest bidder.

CLXXIV. The property shall be paid for in ready money at the time
Property to be paid for before removal. of sale or as soon after as the Officer holding the sale shall appoint, and the purchaser shall not be permitted to carry away any part of the property until he has paid for the same. When the purchaser shall make default
Re-sale. in the payment of the purchase money the property shall be re-sold and the defaulting purchaser shall make good to the Distraining Officer any loss arising on such re-sale as well as the expenses attending the same.

CLXXV. When the property shall be sold for more than the amount
Payment of excess of sale proceeds to defaulter. of the arrear, the excess, after deducting expenses of process, shall be paid to the defaulter.

CLXXVI. In case any land or house chargeable to Duties under this
If no distress can be found on land or house chargeable to Duties at time of payment. Act shall be unoccupied and no distress can be found on the same at the time such Duty shall be payable, it shall be lawful for the Collector or Commissioners or for any other Officer duly authorized in that behalf, at any time after to enter the said land or house when there shall be any distress thereupon to be found and the said distress to seize and sell under the like powers as he might have distrained on the same land or house at the time the Duties became due if in the occupation of the same person.

CLXXVII. If any person assessed to the Duties charged under this Act shall remove out of the District in which he shall have been assessed, without first paying or discharging all the Duties charged upon him which shall be due, and without leaving in such District sufficient property whence the whole of the said Duties may be raised and levied; or if any person shall reside in any other District than that in which the assessment or charge shall be made on him in pursuance of this Act, and the same shall be in arrear and unsatisfied in the whole or in part, it shall be lawful for the Collector or Commissioners to certify to the Collector or Commissioners of the District within which such person shall reside, the amount of the assessment or charge made upon such person, and remaining in arrear, and unpaid as aforesaid.

CLXXVIII. Such last-mentioned Collector or Commissioners shall thereupon cause the whole of the Duties so remaining in arrear and unpaid as aforesaid to be levied, together with the costs and charges attending, in the same manner as if the said person had been assessed in the District of the said last-mentioned Collector or Commissioners.

CLXXIX. The fees payable upon distrains or attachments under this Act shall be according to a scale which shall be prescribed by the local Government.

CLXXX. Instead of proceeding by distress and sale, or by attachment and sale, or in case of failure to realise thereby the whole or any part of the Duties assessed and payable under this Act, the Collector or Commissioners may, if they think fit, issue a warrant for the arrest of such defaulter. Upon such warrant the officer charged with the execution thereof shall bring the defaulter with all convenient speed before such Collector or Commissioners. If the defaulter shall not then deposit in the hands of the Collector or Commissioners the full amount of the arrears of Duties under this Act due and payable at the time of issuing such warrant, or make such arrangement for the payment of the same as shall be satisfactory to the Collector or Commissioners, or satisfy the Collector or Commissioners that he has no present means of paying the arrears and that he has a reasonable excuse for not having paid, such Collector or Commissioners may send him to the Civil Jail, there to remain for such time as shall be directed by a warrant addressed to the keeper of the Jail, unless he shall in the meantime pay the full amount of the said arrears. Provided that the time for which a debtor may be confined in Jail under such warrant shall not exceed three calendar months when

the amount of such arrears shall not exceed fifty Rupees, or six calendar months when such amount does not exceed five hundred Rupees, or two years in any other case. Provided also that such imprisonment shall not extinguish the liability to pay such arrears, but all property then belonging to the defaulter or afterwards acquired shall be liable to be distrained or attached under the provisions of this Act, in satisfaction of such arrears, or of so much thereof as shall remain unpaid as if no imprisonment had been ordered.

CLXXXI. If any claim shall be made in any Presidency Town to or in respect of any moveable property distrained under this Act, or in respect of the proceeds thereof, by any person not being the party chargeable with the Duties in respect of which such distress or attachment is made, such claim shall be certified by the Commissioners of such Presidency Town to the Small Cause Court, and thereupon such proceedings shall be taken for deciding the same as if the property had been taken in execution under process of such Court and such property had then been claimed by some person not being the party against whom the process issued.

Procedure in Presidency Towns as to claims to moveable property distrained.

CLXXXII. If in any Station of the Straits Settlement a like claim shall be made in respect of any such moveable property distrained as aforesaid, such claim shall be certified by the Commissioners of such Station to the Court of Judicature thereof, and such claim shall thereupon be heard and determined in a summary way by such Court or by any Division of such Court at their General and Quarter Sessions or otherwise.

Procedure in Straits Settlement.

CLXXXIII. If in any district or place other than a Presidency Town or a Station in the Straits Settlement such claim as aforesaid shall be made to such moveable property distrained as aforesaid, such claim shall be heard and determined in a summary way by the Collector.

Procedure in other places.

CLXXXIV. If any claim shall be made to or in respect of any immoveable property attached under the provisions of this Act, the claimant shall deposit in the hands of the Collector or Commissioners the amount of the Duties in respect of which the attachment was issued, or give security to the Collector or Commissioners for the payment of the same in the event of his not establishing his right in a Civil suit. The sale shall be stayed pending such suit. Such suit shall be commenced within one year from the date of the attachment, and unless it be brought within such

Procedure as to claims to immoveable property.

period the suit shall not be entertained. In the event of the claimant failing to establish his claim, if any deposit shall have been made, it shall be forfeited in satisfaction of the Duties, and if security shall have been given, the amount shall be levied in the manner provided for arrears of Duties under this Act.

CLXXXV. The claim of the Government for all sums payable for the said Duties shall have priority over all private claims, arising after the said Duties accrued due, upon any immoveable property attached, or upon any moveable property distrained upon under this Act. Provided that if the property attached be itself the subject of the assessment in respect of which the attachment shall have issued, the claim of the Government for the arrears due on the said assessment shall have priority over all private claims.

Government claim shall have priority over all private claims.

CLXXXVI. No goods or chattels shall be liable to be taken by virtue of any execution or other process, warrant, or authority, or by virtue of any assignment, or on any pretence whatever, unless the person at whose suit the execution or seizure shall be sued out or made, or to whom such assignment shall be made, shall, before the sale or removal of such goods and chattels, pay or cause to be paid to the proper officer all arrears of the said Duties which shall be due by the judgment-debtor or assignors at the time of seizing such goods or chattels, or which shall be payable for the year in which such seizure shall be made, provided that the said Duties shall not be claimed under this Section for more than one year.

Goods of defaulters are not to be removed under any execution or assignment, until all Duties are paid.

CLXXXVII. When any person chargeable with the Duties hereby made payable as aforesaid, shall be a minor, or when any person so chargeable shall die, in every such case the parent or guardian of such infant, upon default of payment by him, or the representative of the person so dying, shall be liable to the amount of the assets received, for the payments which the said infant ought to have made, or the person so dying was chargeable with, and if such parent or guardian, or such representative, shall neglect or refuse to pay as aforesaid, it shall be lawful to proceed against them in like manner as against any other person making default of payment of the said Duties; and the parent or guardian making payments as aforesaid shall be allowed every sum paid for such infant in his accounts, and all representatives shall be allowed to deduct all such payments out of the assets of the person so dying.

Parents and guardians liable for infants, and representative for person dying.

CLXXXVIII. The claim of the Government for all sums payable for the said Duties shall have priority over all private claims in administering the assets of any deceased person by his representative, or of any bankrupt or insolvent by his assignee, provided that the said Duties shall not be claimed under this Section for more than one year.

CLXXXIX. If this Act shall not come into operation in any district previous to the time appointed for the payment of the first, or any subsequent instalment of the said Duties, or within the year of assessment, it shall be lawful for the Collector or Commissioners executing this Act, who shall have made or allowed any assessment after the period appointed for any such payment, (which they are hereby declared to be competent to do,) from time to time, when the same shall be necessary, to settle and adjust at what time any instalment of which the time for payment shall then have elapsed, shall be paid, in such manner as to them shall appear just and reasonable.

PART XVIII.

Application of the Duties.

CXC. All monies arising from the Duties hereby imposed shall be paid into such of the Treasuries of Her Majesty's Government in India as the local Government shall from time to time direct, to an account to be headed Income Tax Account.

All the Duties to be paid in the first instance into the Government Treasury to an account to be headed Income Tax Account.

A separate account to be kept at the Treasury of the 1 per cent. Duty.

CXCI. A separate account shall be kept at the said Treasuries of all sums paid in on account of the said one per cent. Duty.

CXCII. A separate account shall also be kept of such sums paid in on account of the said one per cent. Duty, as shall have been assessed upon persons residing in, or carrying on business in or upon any house or land in any Presidency Town or any Station in the Straits Settlement or in any district.

A separate account to be kept of the 1 per-cent. Duty paid in Presidency Towns and Straits Settlement, &c.

CXCIII. A separate account shall be kept of the Duty paid in respect to the said one per cent. Duty which shall accrue from the dividends or interest paid upon the Government debt and from the salaries of public officers, and from the profits of any Railway or other public Company

Special appropriation of the 1 per-cent. Duty.

whose profits shall be derived from different parts of India or of which any part of the profits is derived from a place other than that at which its head Office is situate. The amount comprised in such account of the one per-cent Duty shall be appropriated to the different Governments in India, to be applied according to their discretion for the execution of roads, canals, or other reproductive public works which have been duly sanctioned. Such appropriation shall be made to each local Government in the proportion in which each Presidency or Lieutenant-Governorship or Province under a Chief Commissioner shall contribute to the whole amount of the Duty raised under this Act.

CXCIV. The whole of the residue of the sums derived from the said one per cent Duty shall be appropriated to each Presidency, Lieutenant-Governorship, and Province, to the extent contributed by such Presidency, Lieutenant-Governorship, and Province, and shall be expended by the local Government and Chief Commissioners thereof in roads, canals, or other reproductive public works duly sanctioned as aforesaid, in the various Districts under them, as nearly as may be in proportion to the respective contributions of such Districts thereto.

PART XIX.

Penalties.

CXCV. If any officer employed to receive or collect any Duties under this Act:—*1stly*—shall fraudulently collect or attempt to collect any money on account of Duties under this Act from any person not charged or chargeable therewith; or

2ndly.—Shall fraudulently receive or collect, or attempt to receive or collect, from any person more money than is actually charged against such person upon his assessment; or

3rdly.—Shall receive or collect any money whatsoever under color of this Act, and not pay over and account for the whole of such money; or

4thly.—If any such officer employed or authorized to serve any notice, or to make any distress, attachment, or sale under this Act, shall extort or obtain or attempt to extort or obtain, any sum of money or valuable thing other than such money as he shall have been authorized to receive or collect under this Act, from any person whatever, under color of his employment or authority, or as a bribe for forbearing to exercise any employment or authority under this Act, such officer shall be deemed

guilty of a misdemeanor, and shall be liable to imprisonment with or without hard labor for a period not exceeding six months, and shall, for every such offence, forfeit a sum not exceeding one thousand Rupees, and in default, and until such payment be made, shall be liable to further imprisonment with or without hard labor for a period not exceeding six months.

CXCVI. If any person, not being employed or authorized to serve any notice required to be given under this Act, or to receive or collect any money under this Act, shall falsely pretend that he is employed or authorized to serve any notice, or to receive or collect any money under this Act, and shall, by such false pretence, obtain or attempt to obtain any money or valuable thing whatsoever from any person whatsoever, the person so offending shall be deemed guilty of a misdemeanor, and shall be liable to the punishment and penalties in the last preceding Section mentioned.

CXCVII. Any person employed or pretending to be employed to make any distress under this Act, who shall knowingly enter the apartments of any Hindoo or Mahomedan woman, which, by the usage of the country, are deemed private, or shall force open the outer door of a dwelling house contrary to the provisions of the 17th Part of this Act, shall be liable to be imprisoned with or without hard labor for any period not exceeding three months.

CXCVIII. If any person shall take away any moveable property duly distrained under this Act, knowing it to be distrained while subject to such distress, such person shall, on conviction, be liable to be imprisoned for a period not exceeding three months, or until he sooner restores the property, or makes good the value of it to the Distraining Officer, and shall also be liable to a fine not exceeding the value of such property.

CXCIX. If any person shall forge, counterfeit, or alter, or cause or procure to be forged, counterfeited, or altered, or shall knowingly or wilfully aid or assist in forging, counterfeiting, or altering any certificate of the Collector or the Commissioners or of any Ex-Officio or Special Assessor, or of any Deputy Collector acting in the execution of this Act, or any certificate or any acknowledgment, or any receipt which any Officer is, by this Act, authorized to give on the receipt of any money payable under this Act, or shall utter any such forged, counterfeited, or altered certificate or, acknowledgment, or receipt as aforesaid, with intent to defraud Her Majesty, or the Secretary

of State in Council, or the Government, or any person whomsoever, every person so offending and being lawfully convicted thereof, shall be adjudged guilty of felony, and shall be liable, if a European or American, to be sentenced to penal servitude for any period not exceeding ten years, or to imprisonment with or without hard labor for any term not exceeding two years, and, if not a European or American, to be sentenced to transportation for any period not exceeding fourteen years, or to imprisonment with or without hard labor for any term not exceeding seven years.

CC. Every person who, with the intention of inducing any Collector, or any other Officer employed to carry out the provisions of this Act, to refrain from exercising any of the lawful powers vested in such Collector or other Officer under the authority of this Act, or with the intention of inducing any person liable to pay any Duties under this Act, to refrain from making any return or declaration, or doing any act, or making any payment required by this Act, shall assault, or make a show of assaulting, or shall wrongfully restrain or attempt wrongfully to restrain, or shall overawe by means of an unlawful assembly, or attempt so to overawe any such Collector or other Officer, or any such other person as aforesaid, and all persons who shall combine by the closing of shops or otherwise to induce, or who shall do any act with intent to induce any other person or persons to break the public peace or otherwise to obstruct the operation of this Act, shall be liable to a sentence of imprisonment with or without hard labor for a period not exceeding twelve months, or to a fine not exceeding five hundred Rupees, or to both, such fine being commutable, if not paid, to a further period of imprisonment not exceeding twelve months.

CCI. If any person shall, by violence, threats, or otherwise, intimidate or attempt to intimidate any other person liable to pay any Duties under this Act, with the intention of preventing such person from making any return or declaration, or doing any act, or making any payment required by this Act, he shall be liable to a sentence of imprisonment with or without hard labour for a period not exceeding six months, or to a fine not exceeding two hundred Rupees, or to both, such fine being commutable, if not paid, to a further period of imprisonment not exceeding six months.

CCII. If any person, being legally bound by an oath or affirmation to state the truth to any public servant, or to any other person authorized to administer an oath or affirmation in any matter relating to this Act, states to such public servant or other person as aforesaid, touching that subject, as true, that which he

False deposition.

Penalty for intimidating with the intention of preventing persons from making returns, declarations, or payments, &c.

Penalty for assaulting Collector, &c.

knows to be false, or does not believe to be true, he shall be punished with imprisonment with or without hard labor for a term which may extend to three years, and shall also be liable to a fine not exceeding five thousand Rupees.

CCIII. Any charge to be preferred under the last preceding Section for any of the offences therein mentioned, in regard to any affidavit, deposition, or affirmation, shall and may be tried and determined in the place where such affidavit, deposition, or affirmation shall be exhibited to the Collector or Commissioners in pursuance of this Act; but if such offence shall have been committed by any European British subject, the charge shall be tried and determined by one of Her Majesty's Supreme Courts of Judicature.

CCIV. If any person shall knowingly and wilfully make or deliver any false or fraudulent account, statement, or declaration in any return which he is required to make under the provisions of this Act, such person shall for every such offence, if not otherwise provided for in this Act, be liable to forfeit treble the amount of Duties to which he is justly chargeable, in addition to a further sum not exceeding five hundred Rupees.

CCV. Every person who shall knowingly and wilfully aid, abet, or assist, or incite or induce any other person to make or deliver any such false or fraudulent account, statement, or declaration as aforesaid, shall, for every such offence, forfeit the sum of five hundred Rupees.

CCVI. If any person shall knowingly make any false claim for any abatement under the first Schedule of this Act, or shall be guilty of any fraud or misrepresentation in making such claim, or in obtaining or endeavoring to obtain any such abatement, or knowingly shall untruly declare the amount or value of any loss under the rules relating to Schedule 1, or the amount or value of any abatement made or agreed to be made in the rent of the land or house in his occupation on account of such loss, with intent fraudulently to obtain any such abatement, he shall forfeit treble the amount of Duties justly chargeable on him in respect of the said land or house, in addition to a further sum not exceeding five hundred Rupees; and if the occupier of any such land or house, or any other person whatever, shall aid, abet, or assist any person charged to the said Duties in making such false or fraudulent claim, or shall fraudulently or untruly declare the amount or value of any abatement made or agreed to be made in the rent of the said land or house, or the amount of such loss, with

intent fraudulently to obtain for the person so charged any abatement as aforesaid, every such person shall forfeit a sum not exceeding five hundred Rupees.

CCVII. If any person shall knowingly make any false claim to any abatement under any Schedule of this Act, or to any exemption or deduction under the 13th or 14th Parts of this Act, or shall knowingly be guilty of any fraud or contrivance in making any claim under any of the said Schedules, or under the said 13th or 14th Parts of this Act, or in obtaining any abatement, or any exemption or deduction, or any certificate as aforesaid, under any of the said Schedules, or the said 13th or 14th Part, or shall fraudulently conceal or untruly declare any income or amount of income, or any sum which he may have charged, or have been entitled, under the authority of this Act, to charge against any other person, or which he may have deducted or retained, or have been or be entitled as aforesaid, to deduct or retain for any payment to which such person claiming exemption as aforesaid may be liable; or if any such person shall fraudulently make a second claim for the same cause—every such person so offending shall forfeit a sum not exceeding five hundred Rupees and treble the Duties chargeable in respect of all the sources of his income, as if such claim had not been made or allowed; and if any person shall knowingly and wilfully aid, abet, or assist any such person in committing any such fraud as aforesaid, the person so aiding, abetting, or assisting, shall forfeit a sum not exceeding five hundred Rupees.

CCVIII. Any person who shall be guilty of any offence mentioned in Section LXXV of this Act, in regard to the Composition therein mentioned, shall forfeit a sum not exceeding five hundred Rupees and treble the Duties justly chargeable in respect of all the sources of his income.

CCIX. If any person, being duly summoned to appear before the Collector or Commissioners as aforesaid, for any of the purposes mentioned in this Act, shall refuse or neglect to appear before the Collector or Commissioners at the time and place appointed for that purpose, or if any such person, being summoned, shall appear before the Collector or Commissioners, but shall refuse to be sworn or to subscribe such oath as aforesaid, or having taken and subscribed the same, shall refuse to answer any question touching the matters depending before the Collector or Commissioners, every person so offending shall forfeit a sum not exceeding two hundred Rupees for every such offence.

CCX. If any person who ought by this Act to deliver any list, return, or declaration, shall refuse or wilfully neglect so to do within the time limited in any notice given under this Act, or shall under any pretence wilfully delay the delivery thereof, every such person so offending shall forfeit any sum not exceeding two hundred Rupees, and shall be liable to be assessed in treble the amount with which he is justly chargeable.

CCXI. If any person required by the Collector or Commissioners under this Act, to make out, verify, or deliver any return required by this Act, or to appear before the Collector or Commissioners, shall refuse or wilfully neglect to make out, verify, or deliver such return, or to appear before the Collector or Commissioners, within the time limited by the Collector or Commissioners in pursuance of this Act, every such person so offending shall forfeit any sum not exceeding two hundred Rupees, and shall be liable to be assessed in treble the amount with which he is justly chargeable.

CCXII. If any person, being legally bound by an oath or solemn affirmation of secrecy under this Act, shall wilfully disclose any matter which by such oath or affirmation he is bound to keep secret, he shall be liable to be imprisoned with or without hard labor for a period not exceeding three years and shall also be liable to a fine not exceeding five thousand Rupees.

CCXIII. No person who shall not have been served in the manner directed by Section XXXVIII of this Act with the notice provided by that Section, shall be liable to the penalties before mentioned for not delivering a return or declaration of his profits or income.

CCXIV. If any person shall wilfully obstruct any Assessor or Collecting Officer, or any officer duly authorized in the execution of this Act in the due execution of this office or duty, such person shall, for every such offence, forfeit a sum not exceeding five hundred Rupees.

CCXV. If any person chargeable with any Duties under this Act, shall, by fraudulently changing his place of residence or by fraudulently converting his property or any part thereof, or by fraudulently conveying or assigning, or pretending to convey or assign the same, or by fraudulently altering any security with relation

to such property, or by fraudulently rendering the same or any part thereof temporarily unproductive, in order that such person may not be charged for the same, or shall by any falsehood, wilful neglect, fraud, or contrivance whatsoever used or practised, avoid, or attempt to avoid being charged and assessed according to the true intent and meaning of this Act, every such person shall, on proof thereof before the Collector or Commissioners acting for the place wherein such person shall be chargeable, be charged and assessed in treble the amount of the charge which ought to have been made on such person; and if in any such case such person shall have been assessed in an amount less than the assessment which ought to have been made on him, he shall be assessed and charged in treble the amount of the difference between the sum with which such person shall have been charged and the sum with which he ought to have been charged, to be added to such assessment, and shall also be liable to be imprisoned with or without hard labor for a period not exceeding two years, and to a fine not exceeding one thousand Rupees.

CCXVI. If any person, being assessed to the said Duties, shall remove out of the District where he shall have been assessed to the said Duties, without first paying or discharging all the said Duties charged upon him which shall then be due and payable, and without leaving in such District sufficient property whereon the said Duties in arrear may be raised and levied, and the same shall remain in arrear and unpaid for the space of twenty days after the time appointed by this Act for payment thereof, every such person shall forfeit (over and above the said Duties so left unpaid as aforesaid,) a sum not exceeding two hundred Rupees.

CCXVII. Nothing in this Act contained shall prevent any person being punished for any offence in any manner otherwise provided by law. Provided that if any proceedings be taken under this Act for the punishment of any person for an offence, a conviction or acquittal shall be a bar to any other proceedings for the same offence.

PART XX.

Mode of enforcing Penalties.

CCXVIII. Except as otherwise provided, all offences under this Act may be tried by any Magistrate, Joint Magistrate, or person lawfully exercising the powers of a Magistrate, unless the period of imprisonment to which the offender may

be liable, exceed that which the Magistrate, Joint Magistrate, or other Officer as aforesaid is competent to award under the laws for the time being in force in the Presidency or place in which such Magistrate, Joint Magistrate, or other Officer as aforesaid is employed. When the period of imprisonment provided by this Act exceeds the period that may be awarded by such Magistrate, Joint Magistrate, or other Officer as aforesaid, the offender shall be committed for trial before the Sessions Judge, if the evidence given before such Magistrate, Joint Magistrate, or other Officer as aforesaid shall appear to such Magistrate, Joint Magistrate, or other Officer sufficient for the conviction of the accused.

CCXIX. Except as aforesaid, all offences declared to be punishable under this Act with fine or forfeiture, or fine and imprisonment, may be tried in the District or place in which the offence was committed, or in which the person charged with the same is apprehended.

CCXX. A Magistrate may refer for trial and decision any charge of an offence hereby made punishable by fine only, to any of his Assistants, and in such case every such Assistant may exercise all the powers vested in a Magistrate by any law for the time being in force, subject to all the rules applicable to Criminal cases deputed to such Assistant acting judicially.

CCXXI. The local Government may give general authority to any such Assistant to exercise, without reference by a Magistrate, any of the powers which such Assistant is hereby rendered competent to exercise upon reference by a Magistrate, subject to appeal to the Magistrate from any conviction by such Assistant within one month from the date of conviction.

CCXXII. A Magistrate may at any time call from any of his Assistants, any case pending before such Assistants.

CCXXIII. If any offence which by this Act is declared to be punishable with fine and imprisonment, or imprisonment only, shall be committed by a European British subject beyond the local limits of the jurisdiction of Her Majesty's Supreme Courts of Judicature, the offender shall be liable, upon conviction before one of the said Supreme Courts of Judicature, to the punishment to which by this Act the offender is declared to be liable upon conviction,

CCXXIV. If any offence which by this Act is declared to be punishable with fine or forfeiture, or with fine and imprisonment not exceeding six months, shall be committed by any person within the local limits of the jurisdiction of any Court of Judicature established by Royal Charter, such offence shall be punishable upon summary conviction by any Magistrate of Police of the Presidency Town or Station in which such Court is held.

Summary jurisdiction in respect of certain offences committed within the limits of Supreme Court.

CCXXV. No conviction, order, or judgment under the last preceding Section shall be quashed for error of form or procedure, but only on the merits, and it shall not be necessary to state on the face of the conviction, order, or judgment the evidence on which it proceeds, but the depositions taken, or a copy of them, shall be returned with the conviction, order, or judgment in obedience to any writ of *certiorari*, and if no jurisdiction appears on the face of the conviction, order, or judgment, but the depositions taken supply that defect, the conviction, order, or judgment shall be aided by what so appears in such depositions.

Conviction to be quashed on merits only.

CCXXVI. All other offences punishable under this Act, which shall be committed within the local limits of any Court of Judicature established by Royal Charter, shall be punishable by such Court.

All other offences committed within the limits of Supreme Court, punishable by such Court.

CCXXVII. All fines, forfeitures, or penalties imposed under the authority of this Act for offences punishable by any Magistrate, or person lawfully exercising the powers of a Magistrate, or Assistant Magistrate, may, in case of non-payment thereof, be levied by distress and sale of the goods and chattels of the offender by warrant under the hand of any of the above-named Officers.

Levy of forfeitures and penalties by distress.

CCXXVIII. In case any such fines, forfeitures, or penalties shall not be forthwith paid, any such Officer may order the offender to be apprehended and detained in safe custody until the return can be conveniently made to such warrant of distress, unless the offender shall give security to the satisfaction of such Officer for his appearance at such place and time as shall be appointed for the return of the warrant of distress.

Procedure until return is made to warrant of distress.

CCXXIX. If upon the return of such warrant it shall appear that no sufficient distress can be had whereon to levy such fine, forfeiture, or penalty, and the same shall not be forthwith paid, or in case it shall appear to the

Imprisonment, if distress not sufficient.

satisfaction of such Officer, by the confession of the offender or otherwise, that he has not sufficient goods and chattels whereupon such fine or sum of money could be levied if a warrant of distress were issued, any such Officer may, by warrant under his hand, commit the offender, provided he is not a European British subject, to prison, there to be imprisoned, according to the discretion of such Officer, for any term not exceeding two calendar months when the amount of fine shall not exceed fifty Rupees, and for any term not exceeding four calendar months when the amount shall not exceed one hundred Rupees, and for any term not exceeding six calendar months in any other case, the commitment to be determinable in each of the cases aforesaid on payment of the amount.

CCXXX. If the offender shall be a European British subject, the Magistrate shall record the facts and transmit such record to the District Court of the District wherein the offender is convicted, and the amount of the fine, forfeiture, or penalty and the costs (if any) shall be levied in the manner provided for the execution of decrees of the Civil Court.

CCXXXI. Whenever an award of hard labor is made under this Act, the Court shall not commute such labor to the payment of a fine under Regulation II, 1834 of the Bengal Code.

CCXXXII. All forfeitures or penalties not exceeding two hundred Rupees, imposed by this Act, exclusive of any increased Duties chargeable under this Act, may be recovered before the Collector or before two or more Commissioners in and for the place wherein the offence shall have been committed or the offender shall have been assessed.

CCXXXIII. The Collector or Commissioners shall take cognizance of any offence of which he or they shall have cognizance under the last Section, upon information or complaint in writing made to them, and upon a summons to the party accused to appear before the Collector or Commissioners at such time and place as they shall fix, or without such summons, in case the person shall be guilty of the offence in their presence.

CCXXXIV. The Collector or Commissioners shall examine into the matter of fact and proceed to hear and determine the same in a summary way, and upon proof made thereof, either by voluntary confession of the party accused, or by evidence of one or more credible witness or witnesses,

or otherwise, as the case may require, to give judgment for the penalty, or if the Collector or Commissioners shall think proper, to mitigate the same for such part of the penalty as he or they shall direct.

CCXXXV. In such case the Collector or Commissioners shall assess the penalty upon the party, and charge the same in addition to Duties in the assessment to which the penalty adjudged assessed. shall particularly relate, and in addition to the Duties in case the party shall be charged therewith.

CCXXXVI. The forfeitures or penalties so Levy of forfeitures or penalties. adjudged shall be levied in like manner as the Duties under this Act.

CCXXXVII. The informer shall, in all cases, upon the Collector or Commissioners certifying that he has conducted himself properly in regard to his information, be Reward to informers. entitled to receive one moiety of the amount of the penalty awarded exclusive of any increased assessment; and when more informers than one are concerned, they shall be entitled to such moiety in such shares as the Collector or Commissioners shall award.

CCXXXVIII. The adjudication of the Collector or Commissioners shall in all cases cognizable by them be final and conclusive to all intents and purposes, without Adjudication of Collector or Commissioners final. power of appeal from the same, and the proceedings of the Collector or Commissioners shall not be removable by any process whatever into any Court of Law or Equity, or be subject to revision.

CCXXXIX. In any proceeding for the recovery of any such Duties or penalties respectively granted or imposed by this Act, such Duties and penalties respectively Costs of suit recoverable besides penalty. shall be recoverable with full costs of suit, and all charges and expenses attending the same.

CCXL. Whenever by this Act any increased rate of Duty is imposed as a penalty, or as part of, or in addition to, any Increased Duty may be added to assessment. penalty, such increased rate of Duty shall be added to the assessment, and be collected and levied in like manner as any Duties included in such assessment may be collected and levied.

CCXLI. All penalties, forfeitures, and fines levied under this Act, after deducting any portion thereof hereby authorized to be paid as aforesaid, shall be paid to the Penalties to be paid to Income Tax Account. account to be headed Income Tax Account, in Section CXC of this Act mentioned, and shall be held available for the purposes of this Act.

PART XXI.

Miscellaneous.

CCXLII. Every provision in this Act contained and applied to the Duties in any particular Schedule, which shall also be applicable to the Duties in any other Schedule, and not repugnant to the provisions for ascertaining or charging the Duties in such other Schedule, shall, in ascertaining and charging the same, be applied as fully and effectually as if the application thereof had been so expressly and particularly directed.

Provision applied to any particular Schedules may extend to any other Schedule.

CCXLIII. It shall be lawful for the Governor-General of India in Council to postpone, for such period as he shall deem necessary, the period for this Act to come into operation in any part of India. But no other tax or duty shall during such period be leviable in that part of India except such as could be lawfully levied in addition to the Duties provided by this Act.

Governor-General in Council may postpone operation of Act in any part of India.

Proviso.

CCXLIV. No action or other proceeding shall be had or taken against any Officer for any thing done by him in or relating to the imposition or levying of any tax or duty heretofore imposed or levied with the sanction of the Governor-General of India in Council or of the local Government; and every tax or duty heretofore assessed or imposed by any such Officer with such sanction as aforesaid, so far only as concerns such assessment or tax or duty for the current year, may be levied or collected in the manner heretofore sanctioned by the Governor-General of India in Council or by the local Government.

Indemnity.

CCXLV. No suit, action, or other proceeding shall be commenced or prosecuted against any person for any thing done in pursuance of this Act without giving to such person a month's previous notice in writing of the intended action and of the cause thereof, nor after the expiration of three months from the accrual of the cause of action or other proceeding.

Notice and limitation of suits.

CCXLVI. *Clause 1.* It shall be lawful for the Governor-General of India in Council, from time to time, to prescribe and issue the forms of returns, declarations, acknowledgments, certificates, oaths, affirmations, contracts of composition, and the forms of all other documents and proceedings required by this Act, and to vary or alter the same from time to time.

Power to Governor-General in Council to issue forms.

Clause 2. Such forms shall be published at least three times in the Government Gazette of the several Presidency Towns and of all the places where any Government Gazette shall be published.

Clause 3. When they shall have been so published, and until they shall be altered, varied, or annulled by any subsequent order of the Government, the said forms shall be observed by all persons required by this Act to do the matters referred to in such forms, and all notices given, and all returns or declarations made, and all oaths or affirmations taken or made, and all proceedings had according to such forms respectively, shall, if otherwise valid, be deemed valid and effectual.

CCXIVII. It shall be lawful for the Governor-General of India in Council, from time to time, to allow from the Duties collected under this Act, any salaries or any remuneration, whether by way of fixed fees or of percentage on sums realised or otherwise, to any officer or person who shall be appointed under this Act for the performance of any of the Duties prescribed by this Act.

Power to Governor-General in Council to allow salaries.

CCXLVIII. The following words and expressions in this Act shall have the meanings hereby assigned to them, unless there be something in the subject or context repugnant to such meanings:—

Interpretation of terms.

1. Words importing the singular number shall include the plural number and words importing the plural number shall include the singular number; words importing the masculine gender shall include females.

Nmber.
Gender.

2. The Word "India" shall mean the Territories which are or may become vested in Her Majesty by the Statute 21 and 22 Vic. c. 106, entitled an Act for the better Government of India.

"India."

3. The expression "Governor-General in Council" shall include the President of the Council of the Governor-General of India in Council.

"Governor-General in Council."

4. The words "Local Government" shall mean the persons immediately administering the Executive Government in each Presidency, Lieutenant-Governorship, or Province in India.

"Local Government."

5. The expression "Lieutenant-Governorship" shall mean any part of India for the time being under the Government or administration of any Lieutenant-Governor appointed under, or by virtue of any Act of the Imperial Parliament relating to India.

"Lieutenant-Governorship."
6. The word "Division" shall mean any Division of, or for the purposes of, Revenue.

7. The expression "Chief Revenue Authority" shall mean the person or Board exercising the chief authority for the time being in matters of revenue alone in any Presidency, Lieutenant-Governorship, or Province, though subject to the order of the local Government and shall not include the local Government. When in any Presidency, Lieutenant-Governorship, or Province, there shall be no person exercising such chief revenue authority throughout such Province, other than the person administering the Executive Government, the expression shall mean the person or Board exercising chief authority in matters of revenue in any Division of such Presidency, Lieutenant-Governorship, or Province.

8. The word "Collector" shall include any Officer exercising, by authority of Government, the duties of a Collector of Land Revenue, by whatever name his office may be designated.

9. The word "Magistrate" shall include an Assistant Magistrate exercising, or any person duly invested with, the powers of a Magistrate. It shall not include Justice of the Peace.

10. The word "Land" shall include and extend to all immoveable property, and all hereditaments and tenements whatsoever, whether corporeal or incorporeal, of the nature of immoveable property, except houses, and all estates or interests therein, whether freehold or chattel, or held by lease, or howsoever otherwise, or whether partial or derivative or otherwise, and whether in divided or undivided shares.

11. The word "House" shall include and extend to all messuages and buildings used for the purpose of habitation; and all warehouses, counting houses, factories, and shops, and to all out-houses, offices, godowns, and buildings attached to, or used with, or for the purposes of, such messuages, buildings, warehouses, factories, or shops.

12. The words "Rack-rent" shall mean the full rent or value at which
 "Rack-rent." lands or houses are worth to be let for the year.

13. The word "Owner," as applied to land or houses, shall include
 "Owner." any person beneficially entitled in possession to an
 absolute estate, or to any lesser estate, whether
 freehold or chattel, or partial or derivative, or otherwise, at law or in equity;
 or any person entitled to any such estate in trust for another person.

14. The word "Holder," as applied to land or houses, shall include
 "Holder." any person in possession or in the receipt of the
 rents and profits of land or houses under any claim
 to be entitled to any estate, whether freehold or chattel, partial or derivative,
 or otherwise, at law or in equity: and whether on his account or on account
 of any other person.

15. The word "Person" shall include any Cor-
 "Person." poration.

16. The word "Representative" shall extend to any person who is
 "Representative." legal representative of a person deceased, and shall
 include, in the case of a deceased person subject
 to the Law of England, the heirs of devisees of such a person in regard to
 real estate, and the executors or administrators of such person in regard
 to personal estate; and in the case of a deceased Mahomedan or Hindoo,
 the heirs and persons legally entitled to succeed to the property of such
 person. It shall also include the successors of a Corporation.

17. The word "Company" shall extend to any Society, Association,
 "Company." Fraternity, or Partnership of any kind whatever,
 of or carried on by more than six persons.

18. The word "Trade" shall include any manufacture, and any busi-
 "Trade." ness, adventure, or concern in the nature of a
 trade.

19. The word "Profession" shall extend to
 "Profession." any employment, vocation, or calling, other than
 trade.

20. The word "Profits" shall include gains of
 "Profits." every kind.

21. The word "Lunatic" shall include every person of unsound mind,
 "Lunatic." and every person being an idiot.

22. The word "Oath" shall include an affirmation in the case of any person entitled by law to make any affirmation in lieu of any oath or affidavit.

CCXLIX. This Act shall commence and take effect from and after the 3rd day of July 1860, and together with the Duties therein contained, shall continue in force until the 1st day of August 1865, and no longer.

Commencement
continuance of Act.

Provided this Act and the said Duties shall not then cease with respect to any assessment which ought to have been made before the said last-mentioned day, but which shall not then have been made and completed; nor with respect to any of the said Duties which shall have been assessed and shall then remain unpaid; nor with respect to any penalty before then incurred; nor with respect to any offence of which any person shall have been guilty before that day; nor with respect to any deduction of the said Duties, or any portion thereof, authorized by Law, to be made out of any rent, interest, or other annual payment which shall become due or payable before the said last-mentioned day; nor with respect to any penalty for refusing to allow any such deduction, although such refusal may be after the said last-mentioned day; nor shall the said Duties cease in any case where the assessments for the preceding year shall not have been completed before the said 1st day of August 1865.

And that all the powers and provisions of this Act shall continue in force for making and completing all such assessments as aforesaid, and for levying and recovering the Duties so assessed or to be assessed, and all arrears of such Duties, and also for re-assessing the same in default of payment in the manner herein directed, and for making and allowing such deduction as aforesaid, and for the suing for, adjudging, and recovering any penalty which shall have been or may be incurred, and for the punishment of any offence of which any person shall have been guilty before that day.

ACT No. IX of 1868.

CONTENTS

I.—PRELIMINARY.

SECTION.

1. Interprets the terms "Magistrate", "Person", "Defaulter".
 2. Repeals Acts XVI of 1867 and XXIX of 1867.
 3. Exempts from operation of the Acts specified descriptions of persons, *viz.*,
(1) Officers of the Army, (2) Non-Commissioned Officers and Privates,
(3) Officers of Police Force whose pay and allowances do not exceed
Rs. 6,000 per annum, (4) Cultivators of land not keeping shops, &c.,
servants and clerks whose pay is less than Rs. 1,000 per annum, and
specified members of Companies.
 4. Authorises the Governor-General in Council to exempt and revoke the
exemption of any tribe or class.
-

II.—CERTIFICATES.

- 5--11. Requires persons in profession or trade making a profit of Rs. 500 to take
out a certificate in form prescribed, (6) which shall have effect till the
13th April following, and (7) be then renewed, and so on from year to
year; and (8) renewed certificate to bear what date; and (9) persons
commencing business in the course of a year shall be liable only for a
proportionate part of the year; (10) certificates to be granted by Collector
of Land Revenue; and (11) shall specify what.
- 12--16. The Collector to determine to what class persons shall belong, and (13) shall
annually prepare the list of certificate-holders; and (14) entitles persons
in the list to make objection to their assessment by stamped petition;
(15) the hearing of which shall be brought on, in manner prescribed;
and (16) authority is given to Collectors, &c., to summon witnesses, &c.

III.—PENALTIES.

- 17--20. Prescribes penalty for not taking out a certificate; and (18) for not producing
certificate when required; and (19) directs in what manner fines may be
recovered, but (20) proceedings to be only at instance of Collector.
21. Brings proceedings under this Act within the words Judicial Proceedings, in
Sections 193 to 228 of Indian Penal Code.

IV.—COMPANIES.

22. Directs Treasurers, &c., of Joint Stock Companies to take out certificates
under the Act, and pay in advance for branches, and to make specified
returns to Collectors.
-

V.—GOVERNMENT OFFICIALS.

SECTION.

23. Provides that every person holding any paid office, etc., under Government, except exempted persons, shall be deemed to exercise a profession, but he need not take out a certificate, and payment may be made by deduction from his official income as it is paid.

VI.—SERVANTS OF COMPANIES.

24. Provides for payment of the tax to which servants of Companies are liable.
-

VII.—TIME OF PAYMENT.

- 25—30. Makes the taxes, except when paid by deduction from salaries, payable on 1st May of each year, and may in specified case be paid by instalments; and (26) exempts from payment of second instalment in specified cases of insolvency, &c.; and (27) provides for a return of a moiety of a payment in the like cases; (28) provides for recovery of second instalment; and (29) in specified cases outside Calcutta, Madras, and Bombay, makes the tax recoverable as if it were an arrear of land revenue; and (30) all payments shall be credited as Government may direct.
-

VIII.—MISCELLANEOUS.

- 31—33. Provides for exercise of powers of a Collector by other Officers, and (32) for service of notices; and (33) empowers Government to declare what shall be deemed the principal place of business of Companies for the purposes of this Act.
34. Authorises local Government to appoint establishments, &c.
35. Authorises the Governor-General of India in Council to make general rules for guidance of Officers under the Act.
36. Makes the Act come into operation, 1st May 1868.
-

SCHEDULES.

- Schedule A. The rates of the tax on Clauses 1 to 10.
- „ B. Form of Petition and of Verification.

ACT No. IX of 1868.

(Received the assent of the Governor-General on the 2nd April 1868.)

An Act for taxing Professions and Trades. Recites the expediency of Taxing Professions and Trades.

WHEREAS it is expedient to impose a tax on all persons exercising professions and trades in British India; It is hereby enacted as follows:—

Preamble.

I.—PRELIMINARY.

1. In this Act—unless thereby something repugnant in the subject or context—“Magistrate” means any person exercising the powers of a Magistrate, or of a Subordinate Magistrate of the first class, and includes a Magistrate of Police and a Justice of the Peace, and “person” includes a firm, and “defaulter” a firm making default under this Act.

Interpretation-clause.
“Magistrate.”
“Person.”
“Defaulter.”

2. Acts No. XXI of 1867 (*for the licensing of professions and trades*) and No. XXIX of 1867 (*to explain and amend Act No. XXI of 1867*) are hereby repealed; but save as aforesaid, nothing in this Act shall be construed to effect the provisions of any other law relating to taxes or licenses.

Repeal of Acts.

Saving of other laws relating to taxes or licenses.

Exemptions from Act. 3. Nothing in this Act shall apply to—

- (1)—Officers of Her Majesty’s Forces or of Her Majesty’s Indian Forces, whose pay and allowances do not exceed rupees 6,000 per annum, and who are not in Civil employment other than employment in the Police;
- (2)—Non-Commissioned Officers and Privates of either of the said Forces, whose pay and allowances do not exceed rupees 6,000 per annum;
- (3)—Officers of any Police Force whose pay and allowances do not exceed rupees 6,000 per annum; or
- (4)—Any part of British India, tribe or class of persons exempted by order under section 4 of the said Act No. XXI of 1867.

And no cultivator of land who does not keep a shop or factory for the sale or manufacture of the produce of such land;

no servant or clerk (whether of Government, a Corporation, a Company, a Municipal Committee, a firm or an individual) whose pay, as such, amounts in the year to less than rupees 1,000;

and no member of a Company or firm which is for the time being certificated under this Act—

shall be liable, as such, to take out a certificate under this Act.

4. The Governor-General of India in Council may from time to time, by order, wholly exempt from the operation of this Act any part of British India, or any tribe or class of persons in British India or in any such part.

Power to exempt from Act.

The Governor-General of India in Council may revoke any such order and any order made under the said section 4 of Act No. XXI of 1867.

All orders and revocations made under this section shall be published in the *Gazette of India* and also in the local Gazette.

II.—CERTIFICATES.

5. Every person who, on or after the first day of May 1868, exercises any profession or trade and whose annual profits from his profession or trade, professions or trades, are rupees 500 or upwards, shall take out a certificate and shall annually pay in advance for the same the sum specified in schedule A hereto annexed.

Certificates to be taken out.

6. Every such certificate shall have effect and continue in force from the day of the date thereof until the thirtieth day of April next following, on which day in each year all such certificates shall expire.

Continuance of certificate.

7. Every person who has taken out any such certificate and who intends to continue any profession or trade for which such certificate was granted, shall take out a fresh certificate for the year following, to expire on the day last hereinbefore mentioned, and shall so renew the same from year to year so long as he continues such profession or trade, and shall pay, in each such case, the duty for the time being thereupon imposed.

Renewal of certificate.

8. In cases where the certificate is so renewed, the new certificate shall bear date from the day of the expiration of the current certificate before granted.
- Date of certificate.

In all other cases the certificate shall bear date from the day of the application made therefor, although it may be delivered at any day subsequent to the application.

9. If any person, after the first day of May in this or any subsequent year, commences any profession or trade for the exercise of which a certificate is hereby required, such person not having before taken out any such certificate, the Collector may grant such certificate for the remainder of the current year in which it is taken out, ending on the thirtieth day of April next following the date of the commencement of the said profession or trade, upon payment of such proportional part of the duty thereupon imposed as hereinafter mentioned (that is to say) :—
- Certificate of persons commencing business.

If the profession or trade be commenced at any time in the quarter expiring on the thirty-first day of July of the current year in which it is commenced, the person taking out the certificate shall pay the whole duty imposed thereon;

If the profession or trade be commenced at any time in the quarter expiring on the thirty-first day of October of such current year, he shall pay three-fourth parts of the said duty;

If the profession or trade be commenced at any time in the quarter expiring on the thirty-first day of January of such current year, he shall pay one-half of the said duty; and

If the profession or trade be commenced at any time in the quarter expiring on the thirtieth day of April of such current year, he shall pay a fourth part only of such duty.

10. Every certificate under this Act shall be granted by, and the sum payable therefor shall be paid to, the Collector of land revenue for the place or district at or in which the person requiring the certificate exercises his profession or trade:
- Officer to grant certificates.

Provided that, if such person exercises his profession or trade at or in more than one place or district, the certificate shall be granted and payment made by and to the Collector for the place or district at or in which the principal place of business in British India of the person requiring the certificate is situate.

Every such certificate shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

Contents of certificate. 11. Every such certificate shall specify—

- (1)—The year or portion of the year for which it is granted;
- (2)—The name and profession or trade of the holder;
- (3)—The sum paid for the certificate, and

(4)—The place or places, district or districts, where the holder intends to exercise his profession or trade until the thirtieth day of April next following; and shall be received in evidence as *prima facie* proof of all matters contained therein.

12. The Collector shall from time to time determine what persons are liable to take out certificates under this Act, and under which of the classes mentioned in the said schedule every person to whom a certificate may be granted under this Act shall be assessed; and also, in the case of a person commencing a profession or trade, what shall be deemed to be, for the purposes of section 9, the date of such commencement.

Collector to determine certificate-holders and classes.

13. As soon as may be after the first day of May in every year, the Collector shall prepare a list of the persons liable to take out certificates under this Act for the current year, and may from time to time alter and add to the said list.

List of certificate-holders.

Such list shall state:—

- (1)—The profession or trade of each person therein named;
- (2)—The class under which he is assessed; and
- (3)—The sum payable for his certificate.

The list shall be filed in the Collector's office, and the list or such part or parts thereof as he thinks fit shall be filed in such other places as he directs, and shall be open to public inspection at all reasonable times without the payment of any fee.

14. Any person named in such list, and objecting to the class under which he is assessed, or denying his liability to be assessed under this Act, if he has paid the sum in which he was assessed under this Act, or (where such sum equals or exceeds rupees forty) if he has paid one moiety thereof, may, within thirty days from such payment, apply by petition to the Collector in order to establish his right to have his name transferred to another class, or removed from the list.

Objection to list.

The petition shall bear a stamp of eight annas, and the statements therein contained shall be verified by the petitioner or some other competent person in manner required by law for the verification of plaints.

Petition of objector.

Whoever makes a statement in any such petition which is false, and which he either knows or believes to be false, or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

15. The Collector shall fix a day for the hearing of the petition, and, on the day so fixed, shall hear such petition and pass such order thereupon as to him seems fit.

Hearing of petition.

If the order be in favour of the petitioner, the Collector shall at once refund the value of the said stamp together with the excess paid by the petitioner, or (when the order is that the petitioner's name be removed from the list) the whole sum so paid by him.

Any person dissatisfied with any order under this section may, within fifteen days from the date thereof, present an appeal in writing to the Commissioner of Revenue of the Division, whose decision upon such appeal shall be final.

Appeal from order on petition.

Every appeal preferred under this section shall bear a stamp of one rupee, and shall be accompanied by a copy of the petition, and the Collector's order thereon (both of which may be on unstamped paper), and all other documents (if any) connected with the case.

When the decision on such appeal is in favour of the appellant, the value of the stamp on his appeal, together with the excess paid by him, or (when the decision is that his name be removed from the list) the whole sum so paid, shall at once be refunded.

16. The Collector or Commissioner and every officer or person exercising the powers of a Collector or Commissioner under this Act, may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine under which of the said classes the petitioner should be assessed, and may examine on oath the person so summoned and the petitioner, and may require each of them to produce any documents in his possession or power relating to the petitioner's profession or trade, or to the amount of the annual profits accruing therefrom.

Power to summon persons to give necessary information.

III.—PENALTIES.

17. If at any time not less than fifteen days after the name of any person has been included in the list mentioned in section 13, the Collector has caused a notice to be served on such person stating the class under which he has been assessed, and requiring him within seven days from the date of the service to take out a certificate and to pay for the same the sum (mentioning it) payable therefor under the provisions of this Act;

and if the person so served does not within the period specified in the said notice take out a certificate and pay for the same as required by the said notice,

he shall on conviction before a Magistrate be fined twice the sum mentioned in such notice.

On the recovery of the fine from the person so convicted, the Collector shall grant him a certificate without any further payment.

Every such certificate shall bear date from the recovery of the fine, and, save as aforesaid, the provisions of this Act relating to certificates shall apply to certificates granted under this section.

18. Every person required by this Act to take out a certificate, who, without reasonable excuse, neglects or refuses to produce and show his certificate when required so to do by the Collector or by an officer generally or specially empowered in writing by the Collector to make such requisition, shall, on conviction before a Magistrate, be liable to a fine not exceeding one hundred rupees.

19. All fines imposed under this Act may be recovered, if for offences committed outside the local limits of the towns of Calcutta, Madras or Bombay, in the manner prescribed by the Code of Criminal Procedure, and if for offences committed within those limits, in the manner prescribed by any Act regulating the Police of such towns in force for the time being.

In the case of a firm, the Magistrate imposing the fine may issue a warrant for the levy of the amount by distress and sale of any moveable property belonging to the firm which may be found within his jurisdiction, and (if the firm has not sufficient property within such jurisdiction whereon to levy the fine) of any moveable property belonging to the members of the firm or any of them, which may be found within the same jurisdiction.

20. No person shall be proceeded against for any offence under section 17 or section 18 except at the instance of the Collector.

Prosecution to be at instance of Collector.

Sections 193 and 228 of Penal Code to apply to proceedings under this Act.

21. In sections 193 and 228 of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

IV.—COMPANIES.

22. The Treasurer, Secretary or principal Agent or Manager in India of every Company carrying on business in British India on or after the first day of May 1868, whose stock or funds is or are divided into shares and transferable, whether such Company be incorporated or not, and whether its principal place of business be situate in British India or not, shall take out a certificate on behalf of such Company, and annually pay in advance for such certificate the sum of rupees 500 and a further sum of rupees 500 for each of the Company's Branches and Agencies (if any) in British India; or, if he shall prefer so to do, the sum of one per cent. on the dividend declared by such Company during the year ending on the thirty-first day of March in the year of assessment.

Provision as to Companies.

Every such Treasurer, Secretary or principal Agent or Manager is hereby indemnified for all payments made in pursuance of this Act.

Such Treasurer, Secretary or principal Agent or Manager shall in every year in which he prefers to pay the aforesaid percentage, be legally bound to prepare, and, on or before the thirtieth day of April in such year, to deliver to the Collector for the place or district at or in which the Company's principal place of business in British India is situate, a return in writing signed by him, and stating the dividend declared by the Company during the year ending on the thirty-first day of March in the year of assessment.

All the other provisions of this Act relating to certificates and to persons required to take out certificates shall apply, *mutatis mutandis*, to certificates taken out under this section and to every such Treasurer, Secretary, or principal Agent or Manager, as if he were liable to take out a certificate on his own behalf and to pay for the same the sum payable under this section.

V.—GOVERNMENT OFFICIALS.

23. Every person holding any paid office, employment or commission under Her Majesty or under the Government of India, or under any Local Government, other than the persons exempted under section 3 or by order under section 4, shall be deemed to exercise a profession within the meaning of this Act: Provided that he shall not be required to take out a certificate under this Act in respect of such office, employment or commission.

The sum which, but for this proviso, he would have paid for a certificate shall, notwithstanding anything hereinbefore contained, be one per cent. of the amount of his pay, and shall be deducted therefrom at the time of payment by the Examiner of Claims or other proper officer, and shall be deemed to be a tax paid under this Act.

In determining under which of the classes mentioned in the said schedule A any person holding any such office, employment or commission, and permitted, nevertheless, to exercise a profession or trade shall be assessed, the Collector shall neglect the amount of the pay which such person receives in respect of his office, employment or commission.

VI.—SERVANTS OF COMPANIES.

24. No person holding a paid employment under any such Company as is mentioned in section 22 shall be liable, as such, to take out a certificate under this Act: but one per cent. of the amount of his pay, when such pay amounts in the year to rupees 1,000 or upwards, shall be deducted therefrom at the time of payment by the Treasurer or other officer whose duty it is to make such payments, and shall be deemed to be a tax payable under this Act.

Every such Treasurer or other officer shall, as soon as may be after making such deductions, pay to the credit of the Government of India, or as such Government shall from time to time direct, the amount of such deductions, and shall be answerable to such Government for such payment.

Every Company, Treasurer or other officer as aforesaid is hereby indemnified for all deductions and payments made in pursuance of this section.

The Treasurer, Secretary or principal Agent or Manager of every such Company shall be legally bound to prepare, and, on or before the thirtieth day of April in this and every subsequent year, to deliver to the Collector of the place at which its principal place of business in British

India is situate, in such form as may from time to time be prescribed by the Governor-General of India in Council, a return in writing showing the names of all persons holding at the date of the said return paid employments under the Company whose pay, as such, amounts in the year to rupees 1,000 or upwards, together with the salaries payable by the Company to such persons respectively.

In determining under which of the classes mentioned in the said Schedule A any person holding any such employment and exercising, nevertheless, a profession or trade, shall be assessed, the Collector shall neglect the amount of the pay which such person receives in respect of his said employment.

VII.—PAYMENT OF THE TAX.

25. All taxes under this Act, except when they are deducted under section 23 or section 24, shall be payable on the first day of May in each year:

Tax when payable.

Instalments.

Provided that, in every case where the amount so payable equals or exceeds rupees forty, it may be paid in each year by two instalments: the first instalment to be paid on some day not later than fifteen days after the name of the person paying the same shall have appeared in the list mentioned in section 13, and the second instalment on the first day of November;

If in any such case the whole amount be paid on or before the day on which the said first instalment is to be paid as aforesaid, the person paying such whole amount shall be entitled to a discount of two and a half per cent. on the amount of the second instalment.

Discount.

26. When any person pays only such first instalment, and, between the first day of May and the second day of November, dies, or is by sickness or other infirmity rendered incapable of exercising the profession or trade in respect of which his certificate was granted, or takes the benefit of any Act for the relief of insolvent debtors, the amount of the second instalment shall not be claimable.

Death or insolvency of person paying first instalment.

When any firm pays only such first instalment, and, between the first day of May and the second day of November, dissolves partnership, or takes the benefit of any Act for the relief of insolvent debtors, the amount of the second instalment shall not be claimable,

Firm paying first instalment and dissolving partnership or becoming insolvent.

27. When any person pays the whole amount as aforesaid, and, between the first day of May and the second day of November, dies, or is by sickness or other infirmity rendered incapable of exercising the profession or trade in respect of which his certificate was granted, or takes the benefit of any Act for the relief of insolvent debtors, one moiety of such amount, less the said discount (if any), shall be paid to his representative or himself or his assignee, as the case may be.

When any firm pays the whole amount as aforesaid, and, between the first day of May and the second day of November, dissolves partnership, or takes the benefit of any Act for the relief of insolvent debtors, one moiety of such amount, less the said discount (if any), shall be re-paid under such rules as the Governor-General of India in Council shall from time to time prescribe.

Recovery of Second Instalment.

28. If the Collector has caused a notice to be served on any person liable to pay the said second instalment and requiring him within seven days from the date of the service to pay the amount of such instalment (mentioning it), and if the person so served does not within that period pay such amount as required by the said notice, he shall on conviction before a Magistrate be fined twice the amount so mentioned.

Recovery under Revenue-law.

29. In any case arising outside the local limits of the towns of Calcutta, Madras or Bombay, the Collector may, if he thinks fit, recover the amount of any tax or instalment payable under this Act as if it were an arrear of land revenue:

Provided that, at some time not less than fifteen days after the name of the defaulter has been included in the list mentioned in section 13, the Collector has caused a notice to be served on him stating to the effect mentioned in section 17 or section 28 (as the case may be): provided also, that the defaulter has not, within the period specified in such notice, complied with the requirement made therein.

On the recovery of the tax from the defaulter, the Collector shall grant him a certificate without any further payment.

Every such certificate shall bear date from the recovery of the tax, and, save as aforesaid, the provisions of this Act relating to certificates shall apply to certificates granted under this section.

Payment of Taxes and Fines.

30. All taxes levied and all fines recovered under this Act shall be paid to the credit of the Government of India, or as such Government shall from time to time direct.

Payment of taxes levied and fines recovered under this Act.

VIII.—MISCELLANEOUS.

31. All or any of the powers and duties conferred and imposed by this Act on a Collector and on a Commissioner of Revenue, may be exercised and performed by such other officers or persons as the local Government shall from time to time appoint in this behalf.

Powers of Collector and Commissioner under this Act may be exercised by other officers.

32. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the Collector.

Service of notices.

When it may be practicable, the service of the notice shall be on the person therein named, or, in the case of a firm, on some member thereof.

When such person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person therein named is dwelling, or, in the case of a firm, in which the business thereof is ordinarily carried on.

33. When any Company such as is mentioned in section 22, or any person, has several places of business in the territories subject to different Local Governments, the Governor-General of India in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be the principal place of business, and, when any such Company has several Agents or Managers, which of them shall, for the purposes of this Act, be deemed to be the principal Agent or Manager.

Power to declare principal place of business.

When any such Company or any person has several places of business in the territories subject to a single Local Government, such Government shall have power to declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

The powers given by this section may be delegated to and exercised by such officers as the Governor-General of India in Council or the Local

Government, as the case may be, shall from time to time appoint in this behalf.

34. The Local Government may, with the previous sanction of the Governor-General of India in Council, assign such salaries as such Government may from time to time deem proper to the officers appointed under this Act, and allow such establishments for their respective offices as may be necessary for the purposes of this Act.

35. The Governor-General of India in Council may from time to time make rules consistent with this Act for the guidance of officers in matters connected with its enforcement, and may delegate to any Local Government the power given by this section so far as regards the territories subject to such Government.

36. This Act shall come into operation on the first day of May 1868.

Commencement of Act.

ACT No. IX of 1869.

CONTENTS

PART I.—PRELIMINARY.

SECTION.

1. Short title.
Commencement of Act.
2. Repeal of Certificate Act.
3. Interpretation-clause.
4. Exemptions from Act.
5. Power to exempt from Act.

PART II.—DUTIES ON OFFICES.

6. Duties on offices.
7. Exemption of incomes less than Rs. 41-10-8 per mensem.
8. Provision as to Government officials.
9. Provision as to servants of Companies and Municipalities.

PART III.—COMPANIES.

10. Provision as to Companies.

PART IV.—DUTIES ON ALL OTHER INCOME AND PROFITS.

11. Duty on income not charged under Part II or III.
12. Trustees, guardians and committees of incapacitated persons to be charged.
Non-residents charged in names of their agents.
13. Trustees or agents of persons incapacitated or non-resident to furnish statements
of income or profits with declaration.
14. Collector to determine persons chargeable.
15. Computation when assessee becomes chargeable within year.
16. Service of notice.
17. Officer to grant receipts.
18. Contents of receipt.
19. Objection to assessment.
Petition of objector.
20. Hearing of petition.
21. Appeal from order on petition.
Stamp on appeal.
Return of stamp.
22. Power to summon persons to give necessary information.
23. Power to issue fresh notice.

PART V.—PENALTIES.

SECTION.

24. Treasurers, &c., failing to make payments or deliver returns. Trustees, &c., failing to deliver statements or declarations.
25. Failure to pay amount of assessment.
Grant of receipt on recovery of fine.
26. Mode of recovering fines.
27. Prosecution to be at instance of Collector.
28. Sections 193 and 228 of Penal Code to apply to proceedings under this Act.

PART VI.—PAYMENT.

Instalments.

29. Tax when payable.
Payment by instalments.
30. Death or insolvency of person paying first instalment.
Firm paying first instalment and dissolving partnership or becoming insolvent.
31. Death or insolvency of person paying whole amount.
Firm paying whole amount and dissolving partnership or becoming insolvent.
32. Recovery of second instalment.

Recovery under Revenue-law.

33. Optional recovery under revenue-law.
34. Deductions of certain payments under Act IX of 1868.

Payment of taxes and fines.

35. Payment of taxes levied and fines recovered under this Act.

PART VII.—MISCELLANEOUS.

36. Powers of Collector and Commissioner under this Act may be exercised by other officers.
37. Service of notices.
38. Power to declare principal place of business.
Power to declare residence.
39. Governor General in Council empowered to make rules.

SCHEDULE.

ACT No. IX OF 1869.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 18th March 1869.)

*An Act for imposing duties on Income and Profits arising from
Offices, Property, Professions and Trades.*

PART I.

PRELIMINARY.

- | | |
|--|--|
| Short title. | 1. This Act may be called "The Indian Income Tax Act," and shall come into operation on the first day of April 1869. |
| Commencement of Act. | |
| 2. Act No. IX of 1868 (for taxing Professions and Trades) is hereby repealed except as to taxes due under that Act. | |
| Repeal of Certificate Act. | |
| 3. In this Act-unless there be something repugnant in the subject or context— | |
| Interpretation clause. | |
| "Magistrate" means any person exercising the powers of a Magistrate, or of a Subordinate Magistrate of the First Class, and includes a Magistrate of Police and a Justice of the Peace: | |
| "Magistrate." | |
| "Company" means an association carrying on business in British India whose stock or funds is or are divided into shares and transferable, whether such Company be incorporated or not, and whether its principal place of business be situate in British India or not: | |
| "Company." | |
| "Firm." | "Firm" includes a Hindu undivided family: |
| "Person." | "Person" includes a firm: |
| "Defaulter." | "Defaulter" includes a firm making default under this Act: |

THE INDIAN INCOME-TAX ACT

“Year of assessment.” “Year of assessment” means a year commencing on the first day of April:

In the case of any Company or Municipal or other public Body or Association not being a Company, “Collector” means the Collector of Land Revenue of the place or district at or in which its principal place of business in British India is situate. And in the case of any person chargeable under this Act, “Collector” means the Collector of Land Revenue of the place or district at or in which such person resides.

4. Nothing in this Act applies to the pay and allowances of officers, warrant officers, non-commissioned officers and privates of Her Majesty’s Forces or of Her Majesty’s Indian Forces, who are not in Civil employment, when such pay and allowances do not exceed rupees 500 per mensem;

Or to any moveable or immoveable property solely employed for or dedicated to religious or charitable public purposes.

And no member of a firm which is for the time being chargeable under this Act shall, as such, be chargeable under this Act.

5. The Governor-General of India in Council may from time to time, by order, wholly exempt from the operation of this Act the whole or any part of the income and profits of any tribe or class of persons in British India.

The Governor-General of India in Council may revoke any such order.

All orders and revocations made under this section shall be published in the *Gazette of India*.

PART II.

DUTIES ON OFFICES.

6. From the first day of April 1869, a duty of one per centum shall be levied in respect of every office or employment of profit in British India under Government or under a Company or a Municipal or other public Body or Association not being a Company, and upon every salary, annuity or pension paid in British India by Government or by a Company or by a Municipal or other public Body or Association not being a Company to any person residing in British India or serving on board a ship trading to and from British Indian ports, whether on account of himself or another person.

Exemption of incomes less than Rs. 41-10-8 per mensem.

7. No income amounting to less than rupees 41-10-8 per mensem shall be chargeable under this Part.

8. In the case of every person holding any paid office, employment or commission under Her Majesty or under the Government of India, or under any Local Government, or receiving any annuity or pension from Her Majesty or any such Government,

the duty to which he is liable under this Part shall be deducted from his pay, annuity or pension at the time of payment by the Examiner of Claims or other proper officer, and shall be deemed to be a tax paid under this Act.

9. In the case of every person holding a paid employment under or receiving any annuity or pension from any Company, or any Municipal or other public Body or Association not being a Company, the duty to which he is liable, under this Part shall be deducted from his pay, annuity or pension at the time of payment by the Treasurer or other officer whose duty it is to make such payments, and shall be deemed to be a tax payable under this Act.

Every such Treasurer or other officer shall, as soon as may be after making such deductions, pay to the credit of the Government of India, or as such Government shall from time to time direct, the amount of such deductions, and shall be answerable to such Government for such payment.

Every Company, public Body or Association, Treasurer or other officer as aforesaid is hereby indemnified for all deductions and payments made in pursuance of this section.

The Treasurer, Secretary or principal Agent or Manager of every such Company and public Body or Association shall prepare, and, on or before the thirtieth day of April in this and every subsequent year, deliver, to the Collector, in such form as may from time to time be prescribed by the Governor-General of India in Council, a return in writing showing the names of every person holding at the date of the said return a paid employment under or receiving a pension or annuity from the Company or public Body or Association whose pay or pension or annuity as such amounts to Rs. 41-10-8 per mensem or upwards, together with the salaries, annuities or pensions payable by the Company or public Body or Association to all such persons respectively.

PART III.

COMPANIES.

10. In this and every subsequent year the
 Provision as to Companies. Treasurer, Secretary or principal Agent or Manager in India of every Company shall,

in the case of a Shipping Company trading between British India and any other country, pay to Government the sum of one per centum on a moiety of the nett profits made by each of the ships of such Company engaged in such trade, during the year ending on the day on which the Company's accounts shall have been last made up,

and in the case of every other Company pay to Government one per centum on the whole of the nett profits made in British India by such Company during the year ending on the day on which the Company's accounts shall have been last made up;

and shall prepare, and, on or before the thirtieth day of April, deliver, to the Collector, a statement in writing signed by him showing the result of such accounts (if any).

In the case of any Company where no such accounts as are mentioned in this section have been made up within the year ending on the thirty-first day of March next before the year of assessment, the Treasurer, Secretary or principal Agent or Manager of such Company shall prepare, and, on or before the thirtieth day of April in such year, deliver to the Collector a return in writing signed by him and stating the nett profits made by such ships or by the Company (as the case may be) during the year ending on the thirty-first day of March next before the year of assessment.

Every such Treasurer, Secretary or principal Agent or Manager is hereby indemnified for all payments made in pursuance of this section.

PART IV.

DUTIES ON ALL OTHER INCOME AND PROFITS.

11. From the first day of April 1869, a yearly duty in accordance the schedule A to this Act annexed shall be levied upon all income and profits accruing and arising in British India and not chargeable under Part II or Part III of this Act,
 Duty on income not charged under Part II or III.

12. The trustee, guardian, curator, or committee of any infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of such infant, married woman, lunatic or idiot, whether such infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married woman, lunatic or idiot be chargeable under this Part, be chargeable with the said duty in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic or idiot if he were capable of acting for himself.

Trustees, guardians and committees of incapacitated persons to be charged.

Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income or profits chargeable under this Part, shall be chargeable in the name of such agent, in the like manner and to the like amount as he would be charged if resident in British India, and in actual receipt of such income or profits.

Non-residents charged in names of their agents.

13. Every such trustee, guardian, curator, committee or agent shall, when required by the Collector, deliver a statement signed by him, of the amount of the income or profits in respect whereof he is chargeable on account of such infant, married woman, lunatic, idiot or non-resident, together with a declaration of the truth of the statement.

Trustees or agents of persons incapacitated or non-resident to furnish statements or profits with declaration.

14. The Collector shall from time to time determine what persons are chargeable under this Part, and the amount that every such person shall be assessed in accordance with the said Schedule; and in making such assessment income exempted under section seven shall be treated as chargeable under this Part.

Collector to determine persons chargeable.

15. In the case of a person for the first time becoming chargeable under this Part within the year of assessment, the computation shall be made according to an average of his income and profits for such period as the Collector shall, under the circumstances, direct.

Computation when assessee becomes chargeable within year.

16. The Collector shall cause a notice to be served on every person chargeable under this Part, stating—

Service of notice.

(1).—The name and the profession, trade or other source of the income or profits of such person:

(2).—The year or portion of the year for which the duty is to be paid:

(3).—The place or places, district or districts, where his income or profits accrues or arise:

(4).—The amount to be paid;

and requiring him within fifteen days from the date of the service to pay such amount.

17. Such amount shall be paid to the Collector, who shall grant a receipt for such payment to the person making the same:
Officer to grant receipts.

Provided that, if such income or profits accrues or arise at or in more than one place or district, the receipt shall be granted and payment made by and to the Collector for the place or district at or in which the person mentioned in the notice resides, or (in the case of a firm) at or in which its principal place of business in British India is situate.

Every such receipt shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

Contents of receipt. 18. Every such receipt shall specify—

(1).—The name and source or sources of the income or profits of the person by or on whose behalf the duty is paid:

(2).—The year or portion of the year for which the duty is paid:

(3).—The amount paid, and the date of payment; and

(4).—The place or places, district or districts, where the income or profits accrues or arise; and shall be admissible as *prima facie* proof of all matters contained therein.

19. Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under this Part, may within the period mentioned in the said notice, or if the Collector is satisfied that the objector has not received such notice, then at any time within one month from the expiration of such period, apply by petition to the Collector in order to establish his right to have the assessment reduced or cancelled.
Objection to assessment.

The petition shall be in the form contained in Schedule B to this Act annexed, or as near thereto as circumstances admit it shall bear a stamp of eight annas, and the statements therein contained shall be verified by the petitioner or some other competent person in manner required by law for the verification of complaints.
Petition of objector.

Whoever makes a statement in any such petition which is false and which he either knows or believes to be false, or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

20. The Collector shall fix a day for the hearing of the petition, and, on the day so fixed, or on the day (if any) to which he has adjourned such hearing, shall hear such petition and pass his order thereon.

Hearing of petition.

Such order may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the petitioner's assessment to an amount to be specified in the order.

If the order be in favour of the petitioner, the Collector shall at once refund the value of the said stamp.

If the order simply reject the petition or reject the petition and enhance the petitioner's assessment, the petitioner shall within one week from the passing of the order pay the amount mentioned in the said notice or in the order of enhancement (as the case may be).

21. Any person dissatisfied with any order under section twenty may, within fifteen days from the date thereof, on payment of the sum in which he was assessed, or to which his assessment was enhanced, present an appeal in writing to the Commissioner of Revenue of the Division, whose decision upon such appeal shall be final.

Appeal from order on petition.

Every appeal preferred under this section shall bear a stamp of one rupee, and shall be accompanied by a copy of the petition and the Collector's order thereon (both of which may be on unstamped paper), and all other documents (if any) connected with the case.

Stamp on appeal.

When the decision on such appeal is in favour of the appellant, the value of the stamp on his appeal, together with the excess paid by him, or (when the decision is that the petitioner is not chargeable under this Act), the whole sum so paid shall at once be refunded.

Return of stamp.

22. The Collector or Commissioner may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine how the petitioner should be assessed, and may examine on oath the person so summoned and the petitioner, and may require each of them to produce any documents in his possession or power

Power to summon persons to give necessary information.

relating to the sources of the petitioner's income or profits accruing or arising in British India.

23. Whenever the Collector has reason to believe that, in assessing any person under this Act, any source of income or profits not specified in the receipt granted to him under section seventeen has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a further notice to be served on such person stating the amount to be paid in respect of such source, and the provisions contained in sections sixteen to twenty-two (both inclusive) shall apply to such notice and regulate the procedure thereunder.

Power to issue fresh notice.

PART V.

PENALTIES.

24. Every Treasurer, Secretary or principal Agent or Manager failing to make any payment or to prepare and deliver any return required by section nine,

Treasurers, &c., failing to make payments or deliver returns.

or failing to make any payment or to prepare and deliver any statement or return required by section ten,

Trustees, etc., failing to deliver statements or declarations.

and every trustee, guardian, curator, committee or agent failing to deliver any statement or declaration required by section thirteen,

shall for every day during which such default continues, be fined, on conviction before a Magistrate, ten rupees.

The Commissioner of the Division shall have power to remit wholly or in part any penalty imposed under this section.

25. If any person served with notice under section sixteen does not within the period specified in the said notice pay the amount required thereby, he shall, on conviction before a Magistrate, be fined twice the amount mentioned in such notice: Provided that he has not presented a petition under section nineteen.

Failure to pay amount of assessment.

If any such person presents a petition under section nineteen and does not, within one week from the passing of the order thereon, pay the amount,

if any, required by such order, he shall, on conviction before a Magistrate, be fined twice the amount mentioned in such order.

On the recovery of the fine from the person so convicted, the Collector shall grant him a receipt without any further payment.
Grant of receipt on recovery of fine.

Every such receipt shall bear date from the recovery of the fine, and, save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

26. All fines imposed under this Act may be recovered, if for offences committed outside the local limits of the towns of Calcutta, Madras or Bombay, in the manner prescribed by the Code of Criminal Procedure, and if for offences committed within those limits, in the manner prescribed by any Act regulating the Police of such towns in force for the time being.
Mode of recovering fines.

In the case of a firm, the Magistrate imposing the fine may issue a warrant for the levy of the amount by distress and sale of any moveable property belonging to the firm or to all or any of the members thereof.

27. No person shall be proceeded against for any offence under section twenty-four or section twenty-five except at the instance of the Collector.
Prosecution to be at instance of Collector.

28. In sections 193 and 228 of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.
Sections 193 and 228 of Penal Code to apply to proceedings under this Act.

PART VI.

PAYMENT.

29. All taxes under this Act, except when they are deducted under section eight or section nine, shall be payable on the first day of April in each year.
Tax when payable.

Instalments.

Provided that, in every case where the amount so payable equals or exceeds rupees twenty-four, it may be paid in each year by two equal instalments: the first instalment to be paid on some day not later than fifteen days.
Payment by instalments.

after service of the notice mentioned in section sixteen upon the person paying the same, and the second instalment on the first day of October.

30. When any person pays only such first instalment, and, between the first day of April and the second day of October, dies, or is by sickness or other infirmity rendered incapable of exercising the profession or trade (if any) in respect of the profits arising from which he was assessed, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of his property in trust for the benefit of his creditors, the amount of the second instalment shall not be claimable.

When any firm pays only such first instalment, and, between the first day of April and the second day of October, dissolves partnership, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of its property in trust for the benefit of its creditors, the amount of the second instalment shall not be claimable.

31. When any person pays the whole amount as aforesaid, and, between the first day of April and second day of October, dies, or is by sickness or other infirmity rendered incapable of exercising the profession or trade in respect of the profits arising from which he was assessed, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of his property in trust for the benefit of his creditors, one moiety of such amount shall be paid to his representative or himself or his assignee, as the case may be.

When any firm pays the whole amount as aforesaid, and, between the first day of April and the second day of October, dissolves partnership, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of its property in trust for the benefit of its creditors, one moiety of such amount shall be repaid under such rules as the Governor-General of India in Council shall from time to time prescribe.

32. If the Collector has caused a notice to be served on any person liable to pay the said second instalment and requiring him within seven days from the date of the service to pay the amount of such instalment (mentioning it), and if the person so served does not within that period pay such amount as required by the said notice, he shall, on conviction before a Magistrate, be fined twice the amount so mentioned.

Recovery under Revenue-law.

33. In any case of default under this Act arising outside the local limits of the towns of Calcutta, Madras or Bombay, the Collector may, if he thinks fit, and if the notice mentioned in section sixteen, twenty-three, or thirty-two (as the case may be) has been served on the defaulter, recover the amount of any tax or instalment payable under this Act as if it were an arrear of land revenue.

Optional recovery under revenue-law.

On the recovery of such amount from the defaulter, the Collector shall grant him a receipt without any further payment.

Every such receipt shall bear date from the recovery of the amount, and, save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

34. A deduction equivalent to the amount paid by any person under the said Act No. IX of 1868, section five, for the month of April 1869, shall be made from the first payment by such person under Part IV of this Act.

Deductions of certain payments under Act IX of 1868.

Payment of Taxes and Fines.

35. All taxes levied and all fines recovered under this Act shall be paid to the credit of the Government of India, or as such Government shall from time to time direct.

Payment of taxes levied and fines recovered under this Act.

PART VII.

MISCELLANEOUS.

36. All or any of the powers and duties conferred and imposed by this Act on a Collector and on a Commissioner of Revenue may be exercised and performed by such other officers or persons as the Local Government shall from time to time appoint in this behalf.

Powers of Collector and Commissioner under this Act may be exercised by other officers.

37. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the Collector.

Service of notices.

Whenever it may be practicable, the service of the notice shall be on the person therein named, or, in the case of a firm, on some member thereof.

When such person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells or carries on business.

38. When any Company or firm has several places of business in the territories subject to different Local Governments, the Governor General of India in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be the principal place of business, and, when any Company has several Agents or Managers, which of them shall, for the purposes of this Act, be deemed to be the principal Agent or Manager.

When any Company or firm has several places of business in the territories subject to a single Local Government, such Government shall have power to declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

When any person has several places of residence in the territories subject to different Local Governments, the Governor General of India in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence, and when any person has several places of residence in the territories subject to a single Local Government, such Government shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence.

The powers given by this section may be delegated to and exercised by such officers as the Governor General of India in Council or the Local Government, as the case may be, shall from time to time appoint in this behalf.

39. The Governor General of India in Council may from time to time make rules consistent with this Act for the guidance of officers in matters connected with its enforcement, and may delegate to any Local Government the power given by this section so far as regards the territories subject to such Government.

SCHEDULE A.

Persons whose annual income or profits shall be assessed at not

less than . . . Rs. 500 but at less than Rs. 750 shall pay Rs. 6-0-0.

Ditto ditto . . . " 750 " " " 1,000 " " 8-8-0.

Ditto ditto . . . " 1,000 " " " 1,500 " " 12-0-0.

Ditto ditto . . . " 1,500 " " " 2,000 " " 17-0-0.

Ditto ditto . . . " 2,000 " " " 3,000 " " 24-0-0.

Ditto ditto . . . " 3,000 " " " 4,000 " " 34-0-0.

And for every additional Rs. 1,000

of annual income or profits or

fractional part thereof so long

as the whole amount assessed

is less than . . . Rs. 10,000 shall pay an additional duty of Rs. 10-0-0

Persons whose annual income or

profits shall be assessed at not

less than . . . Rs. 10,000 but at less than Rs. 12,500 shall pay
Rs. 110-0-0.

Ditto ditto . . . Rs. 12,500 but at less than Rs. 15,000 shall pay
Rs. 135-0-0.

And for every additional Rs. 2,500

of annual profits or fractional

part thereof so long as the

whole amount assessed is less

than . . . Rs. 1,00,000 shall pay an additional duty of Rs. 25-0-0.

Persons whose annual income or

profits shall be assessed at not

less than . . . Rs. 1,00,000 but at less than Rs. 1,10,000 shall pay
Rs. 1,040-0-0.

Ditto ditto . . . Rs. 1,10,000 but at less than Rs. 1,20,000 shall pay
Rs. 1,140-0-0.

And for every additional Rs. 10,000

of annual income or profits

or fractional part thereof

shall pay an additional duty of Rs. 100-0-0.

ACT No. XVI OF 1870

CONTENTS

PART I.

PRELIMINARY.

SECTION.

1. Short title.
Extent of Act.
Commencement and continuance of Act.
 2. Repeal of Acts.
 3. Interpretation-clause.
 4. Exemptions from Act.
 5. Power to exempt from Act.
-

PART II.

DUTIES ON OFFICES.

6. Duties on offices.
7. Exemption of incomes less than Rs. 41-10-8 per mensem.
8. Deductions in case of Government officials and pensioners.
9. Deduction in case of servants and pensioners of Companies and Municipalities.
Payment to Government.
Indemnity.
Annual return by Treasurer, &c.
10. Difference between duty under this Act for April 1870 and duty under Act IX of 1869.

PART III.

COMPANIES.

11. Shipping Companies.
Other Companies.
Statement of result of accounts.
Annual return of nett profits.
Indemnity.

PART IV.

DUTIES ON ALL OTHER INCOME AND PROFITS.

12. Duty on income not charged under Part II or Part III.
13. Trustees guardians and committees of incapacitated persons to be charged.
Non-residents charged in names of their agents.
14. Trustees or agents of persons incapacitated or non-resident to furnish statements of income or profits with declaration.
15. Receivers, Managers, Courts of Wards, Administrators General and Official Trustees.
16. Power to retain duties charged on trustees, &c., Indemnity.
17. Notice requiring returns.
18. Return how made.
19. List of lodgers and employees.
20. Collector to determine persons chargeable.
21. Computation when assessee becomes chargeable within year.

SECTION.

22. Notice to persons chargeable.
23. Officer to grant receipts.
24. Contents of receipts.
25. Petition against assessment.
 Proviso.
 Form and verification of petition.
26. Hearing of petition.
27. Appeal to Commissioner from order on petition.
 Documents to accompany appeal.
 Copies of petition and order exempt from fees.
 Return of fees and excess.
28. Power to summon persons to give necessary information.
29. Power to issue fresh notice.

PART V.

PENALTIES.

30. Treasurers, &c., failing to make payments or deliver returns.
 Trustees, &c., failing to deliver statements or declarations.
31. Failure to pay amount of assessment.
 Grant of receipt on recovery of fine.
32. False statement in declaration, list or petition.
33. Prosecution to be at instance of Collector.
34. Mode of recovering fines.
35. Sections 193 and 228 of Penal Code to apply to proceedings.

PART VI.

PAYMENT.

36. Tax when payable.

Instalments.

- Payment by instalments.
37. Death or insolvency of person paying instalment.
 Firm paying instalment and dissolving partnership or becoming insolvent.
38. Recovery of subsequent instalment.

Recovery under Revenue-law.

39. Optional recovery under revenue-law.

Payment of Taxes and Fines.

40. Payment of taxes levied and fines recovered under this Act.

PART VII.

MISCELLANEOUS.

41. Exercise of powers of Collector and Commissioner.
42. Service of notices.
43. Power to declare principal place of business.
 Power to declare residence.
44. Governor General in Council empowered to prescribe forms.
45. Governor General in Council empowered to make rules.

SCHEDULE I.—DUTIES.

SCHEDULE II.—FORM OF PETITION UNDER SECTION 25.

SCHEDULE III.—ENACTMENTS REPEALED.

ACT No. XVI OF 1870.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 5th April, 1870.)

An Act for imposing duties on Income and Profits.

Preamble. For the purpose of imposing duties on income and profits arising from offices, property, professions and trades; It is hereby enacted as follows:—

PART I.

PRELIMINARY.

Short title. 1. This Act may be called "The Indian Income Tax Act":

Extent of Act. It extends to the whole of British India;

Commencement and continuance of Act. It shall be deemed to have come into operation on the first day of April 1870, and it shall cease to be in force on the thirty-first day of March, 1871, except as to taxes and penalties then due and incurred thereunder.

Repeal of Acts. 2. On and from the said first day of April 1870, the Acts mentioned in the third schedule hereto shall be deemed to have been and shall be repealed to the extent specified therein, except as to taxes due under any of such Acts.

The references made in the Court Fees Act, Schedule II, to the Indian Income Tax Act shall be deemed to be made to this Act.

Interpretation clause. 3. In this Act—unless there be something repugnant in the subject or context—

"Magistrate" means any person exercising the powers of a Magistrate, or of a Subordinate Magistrate of the First Class, and includes a Magistrate of Police and a Justice of the Peace:

"Company" means an Association carrying on business in British India whose stock or funds is or are divided into shares and transferable, whether such Company be

incorporated or not, and whether its principal place of business be situate in British India or not:

“Firm.” “Firm” includes a Hindu undivided family:

“Person.” “Person” includes a firm:

“Defaulter.” “Defaulter” includes a firm making default under this Act:

In the case of any Company or Municipal or other public Body or Association not being a Company, “Collector” means the Collector of Land Revenue of the place or district at or in which its principal place of business in British India is situate. And in the case of any person chargeable under this Act, “Collector” means the Collector of Land Revenue of the place or district at or in which such person resides.

4. Nothing in this Act applies to the pay and allowances of officers, warrant officers, non-commissioned officers and privates of Her Majesty’s Forces or of Her Majesty’s Indian Forces, who are not in Civil employment, when such pay and allowances do not exceed five hundred rupees per mensem;

or to any moveable or immoveable property solely employed for or dedicated to religious or charitable public purposes.

And no member of a firm which is for the time being chargeable under this Act shall, as such, be chargeable under this Act.

5. The Governor General of India in Council may from time to time, by order, wholly exempt from the operation of this Act the whole or any part of the income and profits of any tribe or class of persons in British India.

Power to exempt from Act.

The Governor General of India in Council may revoke any such order.

All orders and revocations made under this section shall be published in the *Gazette of India*.

PART II.

DUTIES ON OFFICES.

6. A duty of six pies for every rupee shall be levied in respect of every office or employment of profit in British India under Government or under a Company or a Municipal or other public Body or Association not being a Company, and

Duties on offices.

upon every salary, annuity or pension paid in British India by Government or by a Company or by a Municipal or other public Body or Association not being a Company to any person residing in British India or serving on board a ship trading to and from British Indian ports, whether on account of himself or another person.

7. No income amounting to less than forty-one rupees, ten annas, eight pies per mensem shall be chargeable under this Part.
 Exemption of incomes less than Rs. 41-10-8 per mensem.

8. In the case of every person holding any paid office, employment or commission under Her Majesty or under the Government of India, or under any Local Government, or receiving any annuity or pension from Her Majesty or any such Government,
 Deduction in case of Government officials and pensioners.

the duty to which he is liable under this Part shall be deducted from his pay, annuity or pension at the time of payment by the Examiner of Claims or other proper officer, and shall be deemed to be a tax paid under this Act.

9. In the case of every person holding a paid employment under or receiving any annuity or pension from any Company, or any Municipal or other public Body or Association not being a Company, the duty to which he is liable under this Part shall be deducted from his pay, annuity or pension at the time of payment by the Treasurer or other officer whose duty it is to make such payments, and shall be deemed to be a tax payable under this Act.
 Deduction in case of servants and pensioners of Companies and Municipalities.

Every such Treasurer or other officer shall, as soon as may be after making such deductions, pay to the credit of the Government of India, or as such Government shall from time to time direct, the amount of such deductions and shall be answerable to such Government for such payment.
 Payment to Government.

Every Company, public Body or Association, Treasurer or other officer as aforesaid is hereby indemnified for all deductions and payments made in pursuance of this section.
 Indemnity.

The Treasurer, Secretary or principal Agent or Manager of every such Company and public Body or Association shall prepare, and, on or before the thirtieth day of April in this year, deliver, to the Collector, in such form as may be prescribed by the Governor General of India in Council, a return in writing showing the names of every person holding
 Annual return by Treasurer, &c.

at the date of the said return a paid employment under or receiving a pension or annuity from the Company or Body or Association whose pay or pension or annuity as such amounts to forty-one rupees, ten annas, eight pies per mensem or upwards, together with the salaries, annuities or pensions payable by the Company or public Body or Association to all such persons respectively.

10. Whenever the full duty leviable under this Act in April 1870 is not deducted at the time of payment in that month from the pay, annuity or pension chargeable therewith, the deficiency shall be deducted from such pay, annuity or pension at some subsequent time of payment.

Difference between duty under this Act for April 1870 and duty under Act IX of 1869.

PART III.

COMPANIES.

11. The Treasurer, Secretary or principal Agent or Manager in India of every Company shall, in the case of a Shipping Company trading between British India and any other country, pay to Government in respect of one moiety of the nett profits made by such of the ships of such Company engaged in such trade, during the year ending on the day on which the Company's accounts shall have been last made up, the duty of six pies in the rupee.

and in the case of every other Company pay to Government in respect of the whole of the nett profits made in British India by such Company during the year ending on the day on which the Company's accounts shall have been last made up the duty of six pies in the rupee,

and shall prepare, and, on or before the thirtieth day of April in this year, deliver, to the Collector, a statement in writing signed by him showing the result of such accounts (if any).

Statement of result of accounts.

In the case of any Company where no such accounts as are mentioned in this section have been made up within the year ending on the thirty-first day of March 1870, the Treasurer, Secretary or principal Agent or Manager of such Company shall prepare, and, on or before the thirtieth day of April in this year, deliver, to the Collector a return in writing signed by him and stating the nett profits made by such ships or by the Company (as the case may be) during the year ending on the said thirty-first day of March.

Annual return of nett profits.

Every such Treasurer, Secretary or principal Agent or Manager is hereby indemnified for all payments made in pursuance of this section.

Indemnity.

PART IV.

DUTIES ON ALL, OTHER INCOME AND PROFITS.

12. A yearly duty in accordance with the first schedule to this Act annexed shall be levied upon all income and profits accruing and arising in British India and not chargeable under Part II or Part III of this Act.

Duty on income not charged under Part II or Part III.

13. The trustee, guardian, curator, or committee of any infant, married woman subject to the law of England, lunatic, or idiot, and having the control of the property of such infant, married woman, lunatic, or idiot, whether such infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married woman, lunatic or idiot be chargeable under this Part, be chargeable with the said duty in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic or idiot if he were capable of acting for himself.

Trustees, guardians and committees of incapacitated persons to be charged.

Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income or profits chargeable under this Part, shall be chargeable in the name of such agent in the like manner and to the like amount as he would be charged if resident in British India and in actual receipt of such income or profits.

Non-residents charged in names of their agents.

14. Every such trustee, guardian, curator, committee or agent shall, when required by the Collector, deliver a statement signed by him, of the amount of the income or profits in respect whereof he is chargeable on account of such infant, married woman, lunatic, idiot or non-resident, together with a declaration of the truth of the statement.

Trustees or agents of persons incapacitated or non-resident to furnish statements of income or profits with declaration.

15. Receivers or Managers appointed by any Court in India, the Courts of Wards, the Administrators General of Bengal, Madras and Bombay, and the Official Trustees, shall be chargeable under this Act in respect of all income and profits officially in their possession or under their control.

Receivers, Managers, Courts of Wards, Administrators General and Official Trustees.

16. When any trustee, guardian, curator or committee, or agent is assessed under this Act in such capacity;
 Power to retain duties charged on trustees, &c.

or when any receiver appointed by any Court, Court of Wards, Administrator General, or Official Trustee is assessed under this Act in respect of the income and profits officially received by him;

every person and Court so assessed may, from time to time, out of the money coming to his or its possession as such trustee, guardian, curator, committee or agent, or as such receiver, Court of Wards, Administrator General or Official Trustee, retain so much as shall be sufficient to pay the amount of the assessment.

Every such person and Court is hereby indemnified for every retention
 Indemnity. and payment made in pursuance of this Act.

17. In the case of every person chargeable under this Part whose annual income or profits is or are in the Collector's
 Notice requiring re- turns. opinion two thousand rupees or upwards, the Collector shall,

and in the case of every other person so chargeable, the Collector may,

serve a notice on him requiring him to fill in a return of his income and profits, or of the income and profits in respect whereof he is chargeable, in the form to be prescribed by the Governor General of India in Council, and specifying the day by which the return is to be made, and the place of the Collector's office at which the return is to be made.

Every such notice shall be signed by the Collector.

The form of the return shall accompany the notice.

18. Every person on whom such notice is served shall send to or deliver at the Collector's office the return duly
 Return how made. filled in and signed by him.

A declaration shall be added by such person at the foot of the return, that the profits or income stated therein are truly estimated on all the sources therein mentioned.

19. Every person, when required so to do by a notice in the form to be prescribed by the said Governor General in Council shall, within the period mentioned in such
 Lists of lodgers and employees. notice, prepare and deliver to the Collector a list containing, to the best of his belief, the name of every lodger or inmate resident in his dwelling-house, and of any other persons, receiving salary or emoluments amounting to forty-one rupees, ten annas, eight pie per mensem

or upwards, employed in his service, whether resident in such dwelling-house or not, and the place of residence of such of them as are not resident in such dwelling-house, and also of any such lodger or inmate who has any ordinary place of residence elsewhere, at which he is liable, under this Act, to be assessed, and who desires to be so assessed at such place.

Such lists shall be signed by the persons respectively delivering the same, and shall be prepared in the form to be prescribed as aforesaid.

20. The Collector shall from time to time determine what persons are chargeable under this Part, and the amount that every such person shall be assessed in accordance with the said schedule; and in making such assessment income exempted under section seven shall be treated as chargeable under this Part.

Collector to determine persons chargeable.

21. In the case of a person for the first time becoming chargeable under this Part within the year of assessment, the computation shall be made according to an average of his income and profits for such period as the Collector shall, under the circumstances, direct.

Computation when assessee becomes chargeable within year.

22. The Collector shall cause a notice to be served on every person chargeable under this Part stating—

Notice to persons chargeable.

(1).—The name and the profession, trade or other source of the income or profits of such person, or of the income and profits in respect of which he is chargeable:

(2).—The year or portion of the year for which the duty is to be paid:

(3).—The place or places, district or districts, where such income or profits accrues or arise:

(4).—The amount to be paid;

and requiring him within fifteen days from the date of the service to pay such amount.

23. Such amount shall be paid to the Collector, who shall grant a receipt for such payment to the person making the same.

Officer to grant receipts.

Provided that, if such income or profits accrues or arise at or in more than one place or district, the receipt shall be granted and payment made by and to the Collector for the place or district at or in which the person

mentioned in the notice resides, or (in the case of a firm) at or in which its principal place of business in British India is situate.

Every such receipt shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

Contents of receipt.

24. Every such receipt shall specify—

- (1).—The name and source or sources of the income or profits of the person by or on whose behalf the duty is paid:
- (2).—The year or portion of the year for which the duty is paid:
- (3).—The amount paid, and the date of payment; and
- (4).—The place or places, district or districts, where the income or profits accrues or arise; and shall be admissible as *primâ facie* proof of all matters contained therein.

25. Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under this Part, may within the period mentioned in the said notice, or if the Collector is satisfied that the objector has not received such notice, then at any time within one month from the expiration of such period, apply by petition to the Collector in order to establish his right to have the assessment reduced or cancelled:

Provided that no person who shall have been served with a notice under section seventeen shall be entitled to apply by petition under this section unless he shall have made the return required in such notice on or before the day therein mentioned, or unless he shall satisfy the Collector that he had a sufficient excuse for not making such return.

The petition shall be in the form contained in the second schedule to this Act annexed, or as near thereto as circumstances admit, and the statements therein contained shall be verified by the petitioner or some other competent person in manner required by law for the verification of complaints.

26. The Collector shall fix a day for the hearing of the petition, and, on the day so fixed, or on the day (if any) to which he has adjourned such hearing, shall hear such petition and pass his order thereon.

Such order may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the petitioner's assessment to an amount to be specified in the order.

If the order be in favour of the petitioner, the Collector shall at once refund the fee on the petition.

If the order simply reject the petition or reject the petition and enhance the petitioner's assessment, the petitioner shall within one week from the passing of the order pay the amount mentioned in the said notice or in the order of enhancement (as the case may be).

27. Any person dissatisfied with any order under section twenty-six may, within fifteen days from the date thereof, on payment of the sum in which he was assessed or to which his assessment was enhanced, present a petition of appeal to the Commissioner of Revenue of the Division, whose decision upon such appeal shall be final.

Appeal to Commissioner from order on petition.

Every petition presented under this section shall be accompanied by a copy of the petition to the Collector, a copy of the Collector's order thereon, and all other documents (if any) connected with the case.

Documents to accompany appeal.

Copies of petition and order exempt from fees.

Neither of such copies shall be chargeable under the Court Fees Act.

When the decision on such appeal is in favour of the petitioner, the value of the fees on his petition to the Collector and on his petition of appeal, together with the excess paid by him, or (when the decision is that the petitioner is not chargeable under this Act), the whole sum so paid, shall at once be refunded.

Return of fees and excess.

28. The Collector or Commissioner may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine how the petitioner should be assessed, and may examine on oath the person so summoned and the petitioner, and may require each of them to produce any documents in his possession or power relating to the sources of the petitioner's income or profits accruing or arising in British India.

Power to summon persons to give necessary information.

29. Whenever the Collector has reason to believe that, in assessing any person under this Act, any source of income or profits not specified in the receipt granted to him under section twenty-three has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a further notice to be served on such person, stating the amount to be paid in respect of such source; and the provisions contained in sections twenty-two to twenty-

Power to issue fresh notice.

eight (both inclusive) shall apply to such notice and regulate the procedure thereunder.

PART V.

PENALTIES.

30. Every Treasurer, Secretary or principal Agent or Manager failing
Treasurers, &c., failing to make payments or deliver returns. to make any payment or to prepare and deliver any return required by section ine,

or failing to make any payment or to prepare and deliver any statement or return required by section eleven,

and every trustee, guardian, curator, committee, agent failing to deliver
Trustees, &c., failing to deliver statements or declarations. any statement or declaration required by section fourteen,

shall, for every day during which such default continues, be fined, on conviction before a Magistrate, ten rupees.

The Commissioner of the Division shall have power to remit wholly or in part any penalty imposed under this section.

31. If any person served with notice under section twenty-two does
Failure to pay amount of assessment. not within the period specified in the said notice pay the amount required thereby, he shall, on conviction before a Magistrate, be fined twice the amount mentioned in such notice: Provided that he has not presented a petition under section twenty-five.

If any such person presents a petition under section twenty-five and does not, within one week from the passing of the order thereon, pay the amount, if any, required by such order, he shall, on conviction before a Magistrate, be fined twice the amount mentioned in such order.

On the recovery of the fine from the person so convicted, the Collector
Grant of receipt on recovery of fine. shall grant him a receipt without any further payment.

Every such receipt shall bear date from the recovery of the fine, and, save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

32. Whoever makes a statement in any declaration or list made or
False statement in declaration, list or petition. delivered under section eighteen or nineteen, which is false, and which he either knows or believes to be false or does not believe to be true, shall be

deemed to have committed the offence described in section one hundred and seventy-seven of the Indian Penal Code.

Whoever makes a statement in any petition presented under section twenty-five which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a Judicial proceeding.

33. No person shall be proceeded against for any offence under section thirty, section thirty-one, or section thirty-two, except at the instance of the Collector.

Prosecution to be at instance of Collector.

34. All fines imposed under this Act may be recovered, if for offences committed outside the local limits of the towns of Calcutta, Madras or Bombay, in the manner prescribed by the Code of Criminal Procedure, and if for offences committed within those limits, in the manner prescribed by any Act regulating the Police of such towns in force for the time being.

Mode of recovering fines.

In the case of a firm, the Magistrate imposing the fine may issue a warrant for the levy of the amount by distress and sale of any moveable property belonging to the firm or to all or any of the members thereof.

35. In sections one hundred and ninety-three and two hundred and twenty-eight of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Sections 193 and 228 of Penal Code to apply to proceedings.

PART VI.

PAYMENT.

36. All taxes under this Act, except when they are deducted under section eight or section nine, shall be payable on the fifth day of April 1870.

Tax when payable.

Instalment.

Provided that the amount so payable may be paid by four equal instalments: the first instalment to be paid on some day not later than fifteen days after service of the notice mentioned in section twenty-two upon the person paying the same, and the second instalment on the first day of July, the third instalment on the first day of October, and the fourth instalment on the first day of January 1871.

Payments by instalments.

37. When any person pays only such first instalment, or first and second instalments, or first, second and third instalments and in any of the quarters respectively ending on the thirtieth day of June, the thirtieth day of September or the thirty-first day of December, dies, or is by sickness or other infirmity rendered incapable of exercising the profession or trade (if any) in respect of the profit arising from which he was assessed, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of his property in trust for the benefit of the creditors, the amount of the subsequent instalments or instalment shall not be claimable.

When any firm pays only such first instalment, or first and second instalments, or first, second and third instalments, and in any of the quarters respectively ending on the days last aforesaid dissolves partnership, or takes the benefit of any Act for the relief of insolvent debtors, or conveys the whole of its property in trust for the benefit of its creditors, the amount of the subsequent instalments or instalment shall not be claimable.

38. If the Collector has caused a notice to be served on any person liable to pay the said second or any subsequent instalment and requiring him within seven days from the date of the service to pay the amount of such instalment (mentioning it), and if the person so served does not within that period pay such amount as required by the said notice, he shall, on conviction before a Magistrate, be fined twice the amount so mentioned.

Recovery under Revenue-law.

39. In any case of default under this Act arising outside the local limits of the towns of Calcutta, Madras or Bombay, the Collector may, if he thinks fit, and if the notice mentioned in section twenty-two, twenty-nine, or thirty-eight (as the case may be) has been served on the defaulter, recover the amount of any tax or instalment payable under this Act as if it were an arrear of land-revenue.

On the recovery of such amount from the defaulter, the Collector shall grant him a receipt without any further payment.

Every such receipt shall bear date from the recovery of the amount, and, save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

Payment of Taxes and Fines.

40. All taxes levied and all fines recovered under this Act shall be paid to the credit of the Government of India, or as such Government shall from time to time direct.

Payment of taxes levied and fines recovered under this Act.

PART VII.

MISCELLANEOUS.

41. All or any of the powers and duties conferred and imposed by this Act on a Collector and on a Commissioner of Revenue may be exercised and performed by such other officers or persons as the Local Government shall from time to time appoint in this behalf.

Exercise of powers of Collector and Commissioner.

42. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the Collector.

Service of notices.

Whenever it may be practicable, the service of the notice shall be on the person therein named, or, in the case of a firm, on some member thereof.

When such person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells or carries on business.

43. When any Company or firm has several places of business in the territories subject to different Local Governments, the Governor General of India in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be the principal place of business, and, when any Company has several Agents or Managers, which of them shall, for the purposes of this Act, be deemed to be the principal Agent or Manager.

Power to declare principal place of business.

When any Company or firm has several places of business in the territories subject to a single Local Government, such Government shall have power to declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

When any person has several places of residence in the territories subject to different Local Governments, the Governor General of India in Council shall have power to declare which of such places shall, for the purposes of this Act, be

Power to declare residence.

deemed to be his residence, and when any person has several places of residence in the territories subject to a single Local Government, such Government shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence.

The powers given by this section may be delegated to and exercised by such officers as the Governor General of India in Council or the Local Government, as the case may be, shall from time to time appoint in this behalf.

44. The Governor General of India in Council may from time to time prescribe forms for the returns, notices and lists hereinbefore mentioned.

All such forms shall be published in the *Gazette of India*.

45. The Governor General of India in Council may from time to time make rules consistent with this Act for the guidance of officers in matters connected with its enforcement, and may delegate to any Local Government the powers given by this section so far as regards the territories subject to such Government.

SCHEDULE I.

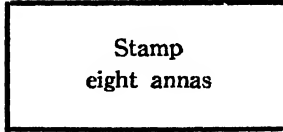
Duties.

Persons whose annual income or profits shall be assessed at not less than

		Rs. 500 but at less than Rs. 750 shall pay Rs. 19-8-0.	
Ditto	ditto	Rs. 750	Rs. 1,000
Ditto	ditto	Rs. 1,000	Rs. 1,500
Ditto	ditto	Rs. 1,500	Rs. 2,000
Ditto	ditto	Rs. 2,000	six pès in the rupee.

SCHEDULE II.

Form of Petition under Section 25.



To

The Collector of

.....

The day of 187 .

The petition of A. B. of

SHEWETH—

1st.—That under the Indian Income Tax Act your petitioner has been assessed in the sum of *twenty-seven* rupees for the year commencing the first day of April 187 .

2nd.—That your petitioner's income and profits accruing and arising from [*here specify petitioner's trade or other source or sources of income or profits and the place or places at which such income or profits accrues or arise*] for the year ending the thirty-first day of March last were rupees as will appear from the documents marked presented herewith, and to which your petitioner craves leave to refer.

3rd.—That your petitioner has no other source of income or profits, and has no reason to believe that his income and profits during the year commencing the first day of April 187 will exceed the said sum of rupees.

Your petitioner therefore prays that he may be assessed accordingly, and that the value of the fee on this petition may be refunded [*or that he may be declared not to be chargeable under the said Act, and that the value of the fee on this petition may be refunded*].

(Signed) A.B.

Form of Verification.

I, A.B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A.B.

THE INDIAN INCOME-TAX ACT

SCHEDULE III.

Enactments repealed.

Number of Year.	Title of Act.	Extent of Repeal.
Act of IX of 1869 .	The Indian Income Tax Act.	The whole.
Act No. XXIII of 1869	An Act to enhance the duties leviable under the Indian Income Tax Act.	The whole.
Act No. VII of 1870 .	The Court Fees Act .	In section thirty-two, the words "and and the Indian Income Tax Act, section twenty, shall be read as if, for the words 'the value of the said stamp', the words 'the fee on the petition' were substituted". In the second schedule, No. nine, the words "section twenty-one".

ACT No. XII OF 1871

CONTENTS

PART I.

PRELIMINARY.

Preamble.

SECTIONS.

1. Short title.
Local extent.
Commencement and continuance of Act.
2. Repeal of Act XVI of 1870.
Proviso.
3. Interpretation-clause.
4. Exemptions from Act.
5. Power to exempt from Act.

PART II.

DUTIES ON OFFICES.

6. Duties on offices.
7. Exemption of incomes less than Rs. 62-8-0 per mensem.
8. Deduction in case of Government officials and pensioners.
9. Deduction in case of servants and pensioners of Companies and Municipalities.
Payment to Government.
Indemnity.
Annual return by Treasurer, &c.
10. Subsequent deduction of duty omitted to be levied.

PART III.

DUTIES ON PROFITS OF COMPANIES.

11. Shipping Companies.
Other Companies.
Statement of result of accounts.
12. Annual return of net profits.
13. Power to require officers of companies to attend and produce accounts.
14. Indemnity.

PART IV.

DUTIES ON INTEREST ON GOVERNMENT SECURITIES.

15. Duty on interest.
16. Deduction and payment of duty.
Proviso.

PART V.

DUTIES ON ALL OTHER INCOME.

17. Duty on income not charged under Parts II, III, IV.
18. Trustees, guardians and Committees of incapacitated persons to be charged.
Non-residents charged in names of their agents.
19. Trustees or agents of persons incapacitated or non-resident to furnish statements of income.

SECTIONS.

20. Receivers, Managers, Courts of Wards, Administrators General and Official Trustees.
21. Power to retain duties charged on trustees, &c. Indemnity.
22. Owners of lands and houses occupying them. Rules for assessing income from land.
23. Notice requiring returns.
24. Return how made.
25. Lists of lodgers and employees.
26. Collector to determine persons chargeable.
27. Assessment to be made on past year's income. Assessment when assessee becomes chargeable within year.
28. Notice to persons chargeable.
29. Officer to give receipts.
30. Contents of receipt.

PART VI.

PETITIONS AND APPEALS AGAINST ASSESSMENTS.

31. Petition against assessment under Part V. Proviso. Form and verification of petition.
32. Hearing of petition.
33. Appeal to Commissioner from order under section 13 or section 32. Documents to accompany appeal. Copies of petition and order exempt from fees. Return of fees and excess.
34. Power to summon persons to give necessary information.
35. Power to issue fresh notice.

PART VII.

PAYMENT AND RECOVERY OF DUTIES.

36. Tax when payable. Payment by instalments.
37. Recovery under Revenue-law.
38. Amendment of assessment.

PART VIII.

PENALTIES.

39. Treasurers, &c. failing to make payments or deliver returns. Trustees, &c. failing to deliver statements or declarations.
40. False statement in declaration, list or petition.
41. Prosecution to be at instance of Collector.
42. Sections 193 and 228 of Penal Code to apply to proceedings.

PART IX.

MISCELLANEOUS.

43. Bar of suits in Civil Courts.
44. Exercise of powers of Collector and Commissioner.
45. Service of notices.
46. Power to declare principal place of business. Power to declare residence.
47. Power to prescribe forms and make rules.

SCHEDULE.—FORM OF PETITION UNDER SECTION 31,

ACT No. XII of 1871.

PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.

(Received the assent of His Excellency the Governor-General
on the 31st March 1871).

An Act for imposing Duties on Income.

Preamble. For the purpose of imposing duties on income arising from offices,
property, professions and trades; It is hereby
enacted as follows:—

PART I.

PRELIMINARY.

Short title. 1. This Act may be called "The Indian Income
Tax Act."

Local extent. It extends to the whole of British India; It shall come into force on
the first day of April 1871, and it shall cease to be
in force on the thirty-first day of March 1872,
Commencement and except as to taxes then due and penalties incurred
continuance of Act. thereunder.

Repeal of Act XVI of 1870. 2. On and from the said first day of April
1871, Act No. XVI of 1870 shall be repealed:

Provided that such Act shall continue in force until the first day of
April 1872 as to taxes and penalties due and incurred thereunder.

The references made in the Court Fees Act, Schedule II, to the Indian
Income Tax Act shall be deemed to be made to this Act.

3. In this Act, unless there be something repugnant in the subject or
Interpretation-clause. context—

"Income" means income and profits accruing and arising in British
"Income." India:

"Magistrate" means any person exercising the powers of a Magistrate,
or of a Subordinate Magistrate of the first Class,
"Magistrate." and includes a Magistrate of Police and a Justice
of the Peace.

"Company" means an Association carrying on business in British India whose stock or funds is or are divided into shares and transferable, whether such Company be incorporated or not, and whether its principal place of business be situate in British India or not:

"Person." "Person" includes a firm and a Hindu undivided family:

"Defaulter" includes a Company or firm making default under this Act:

In the case of any firm or of any Company or Municipal or other public Body or Association not being a Company, "Collector". "Collector" means the Collector of Land Revenue of the place or district at or in which its principal place of business in British India is situate. And in the case of any person or Hindu undivided family chargeable under this Act, "Collector" means the Collector of Land Revenue of the place or district at or in which such person or family resides.

4. Nothing in this Act applies to the pay and allowances of officers, warrant officers, non-commissioned officers and privates of Her Majesty's Forces or of Her Majesty's Indian Forces, who are not in Civil employment, when such pay and allowances do not exceed five hundred rupees per mensem;

or to any moveable or immoveable property solely employed for religious or charitable public purposes.

And no member of a firm or of a Hindu undivided family which is for the time being chargeable under this Act shall, as such, be chargeable under this Act.

5. The Governor-General in Council may from time to time, by order, wholly exempt from the operation of this Act the whole or any part of the income of any tribe or class of persons in British India.

Power to exempt from Act.

The Governor-General in Council may revoke any such order.

All orders and revocations made under this section shall be published in the *Gazette of India*.

PART II.

DUTIES ON OFFICES.

6. A duty of two pies for every rupee shall be levied in respect of every office or employment of profit in British India under Government or under a Company or a Municipal or other public Body or Association not being a Company, and upon every salary, annuity or pension paid in British India by Government or by a Company or by a Municipal or other public Body or Association not being a Company, to any person residing in British India or serving on board a ship plying to and from British Indian ports, whether on account of himself or another person.

Exemption of incomes less than Rs. 62-8 per mensem.

7. No income amounting to less than sixty-two rupees eight annas per mensem shall be chargeable under this Part.

8. In the case of every person holding any paid office, employment or commission under Her Majesty or under the Government of India, or under any Local Government, or receiving any annuity or pension from Her Majesty or any such Government,

Deduction in case of Government officials and pensioners.

the duty to which he is liable under this Part shall be deducted from his pay, annuity, or pension at the time of payment by the Examiner of Claims or other proper officer, and shall be deemed to be a tax paid under this Act.

9. In the case of every person holding a paid employment under, or receiving any annuity or pension from, any Company, or any Municipal or other public Body or Association not being a Company, the duty to which he is liable under this Part shall be deducted from his pay, annuity, or pension, at the time of payment by the Treasurer or other officer whose duty it is to make such payments, and shall be deemed to be a tax payable under this Act.

Deduction in case of servants and pensioners of Companies and Municipalities.

Every such Treasurer or other officer shall as soon as may be after making such deductions, pay to the credit of the Government of India, or as such Government from time to time directs, the amount of such deductions, and shall be answerable to such Government for such payment.

Payment to Government.

Every Company, public Body or Association, Treasurer, or other officer as aforesaid is hereby indemnified for all deductions and payments made in pursuance of this Part.

Indemnity.

The Treasurer, Secretary or principal Agent or Manager of every such Company and public Body or Association shall prepare, and, on or before the thirtieth day of April next, deliver to the Collector in such form as may be prescribed by the Governor-General in Council, a return in writing showing the names of every person holding at the date of the said return a paid employment under or receiving a pension or annuity from, the Company or Body or Association whose pay or pension or annuity as such amounts to sixty-two rupees eight annas per mensem or upwards, together with the salaries, annuities or pensions payable by the Company or public Body or Association to all such persons respectively.

10. Whenever the duty leviable under this part in any month is not deducted at the time of payment in that month from the pay, annuity or pension chargeable therewith, it shall be deducted from such pay, annuity or pension at some subsequent time of payment.

PART III.

COMPANIES.

11. The Treasurer, Secretary or principal Agent or Manager in India of every Company shall, in the case of a Shipping Company trading between British India and any other country, pay to Government in respect of one moiety of the nett profits made by each of the ships of such Company engaged in such trade, during the year ending on the day on which the Company's accounts shall have been last made up, the duty of two pies in the rupee,

and, in the case of every other Company, pay to Government in respect of the whole of the nett profits made in British India by such Company during the year ending on the day on which the Company's accounts shall have been last made up, the duty of two pies for every rupee,

and shall prepare, and, on or before the thirtieth day of April next, deliver to the Collector, a statement in writing signed by him showing the result of such accounts.

12. If in the case of any Company no such accounts have been made up within the year ending on the thirty-first day of March 1871, the Treasurer, Secretary or principal Agent or Manager of such Company shall prepare, and, on or before the thirtieth day of April next, deliver to the Collector

a return in writing signed by him and stating the nett profits made by such ships or by the Company (as the case may be) during the year ending on the said thirty-first day of March.

13. Whenever the Collector has reason to believe that any statement or return mentioned in section eleven or section twelve is incorrect or incomplete, he may cause a notice to be served on the 'Treasurer, Secretary, Agent or Manager by whom such statement or return was delivered, requiring him, on or before a day to be mentioned in the notice, to attend at the Collector's office and to produce for the inspection of the Collector such of the accounts of the Company as refer to the year mentioned in section eleven or section twelve (as the case may be) and as are in the possession or power of such 'Treasurer, Secretary, Agent or Manager.

The Collector shall thereupon make an order determining the amount at which the Company shall be assessed under this Part and the day on which such amount shall be paid, and, subject to the provisions hereinafter contained, such sum shall be payable accordingly.

14. Every such 'Treasurer, Secretary, Agent or Manager is hereby indemnified for all payments made in pursuance of section eleven or section thirteen.

Indemnity.

PART IV.

DUTIES ON INTEREST ON GOVERNMENT SECURITIES.

15. A yearly duty of two pies for every rupee shall be levied upon all interest on securities of the Government of India becoming due on or after the first day of April 1871.

Duty on interest.

16. Every person empowered to pay such interest shall deduct the duty at the place where the interest is paid,

and shall, as soon as may be after making such deduction, pay the same to the credit of the Government of India, or as such Government from time to time directs:

Provided that no such duty shall be deducted from the interest on any such security where the owner thereof produces a certificate signed by the Collector that his annual income, including such interest, is less than seven hundred and fifty rupees.

Proviso.

PART V.

DUTIES ON ALL OTHER INCOME.

17. A yearly duty of two pies for every rupee shall be levied upon all incomes of seven hundred and fifty rupees per annum or upwards not chargeable under Part II, Part III, or Part IV of this Act.

Duty on income not charged under Parts II, III, IV.

18. The trustee, guardian, curator, or committee of any infant, married woman subject to the law of England, lunatic, or idiot, and having the control of the property of such infant, married woman, lunatic, or idiot, whether such infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married woman, lunatic or idiot be chargeable under this Part, be chargeable with the said duty in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic or idiot if he were capable of acting for himself.

Trustees, guardians and committees of incapacitated persons to be charged.

Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt through an agent, of any income chargeable under this Part, shall be chargeable in the name of such agent in the like manner and to the like amount as he would be charged if resident in British India and in actual receipt of such income.

Non-residents charged in names of their agents.

19. Every trustee, guardian, curator, committee or agent shall, when required by the Collector, deliver a statement signed by him, of the amount of the income in respect whereof he is chargeable on account of such infant, married woman, lunatic, idiot or non-resident, together with a declaration of the truth of the statement.

Trustees or agents of persons incapacitated or non-resident to furnish statements of income or profits with declaration.

The Collector shall have power to serve a notice upon any person whom he has reason to believe to be a trustee, guardian, curator, committee or agent requiring him to deliver on or before a day to be specified in the notice a statement signed by him of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

20. Receivers or Managers appointed by any Court in India, the Courts of Wards, the Administrators-General of Bengal, Madras and Bombay, and the Official Trustees, shall be chargeable under this Act in respect of all income officially in their possession or under their control.

Receivers, Managers, Courts of Wards, Administrators-General and Official Trustees.

Power to retain duties
charged on trustees, &c.

21. When any trustee, guardian, curator, committee, or agent is assessed under this Act in such capacity;

or when any receiver or manager appointed by any Court, Court of Wards, Administrator-General, or Official Trustee is assessed under this Act in respect of the income and profits officially received by him;

every person and Court so assessed may, from time to time, out of the money coming to his or its possession as such trustee, guardian, curator, committee or agent, or as such receiver, manager, Court of Wards, Administrator-General or Official Trustee, retain so much as shall be sufficient to pay the amount of the assessment.

Every such person and Court is hereby indemnified for every retention and payment made in pursuance of this Act.

22. Owners of lands and houses occupying the same shall be chargeable in respect of the annual value thereof at nine-tenths of the full rent at which such lands or houses are worth to be let for the year.

The Local Government may, with the sanction of the Governor-General in Council, prescribe for the whole or any part of the territories subject to such Local Government, special rules for the assessment of incomes derived from land, at an amount bearing a fixed proportion to the revenue assessed thereon.

All such rules shall be published in the local official Gazette and shall thereupon have the force of law.

23. In case of every person chargeable under this Part whose annual income is in the Collector's opinion four thousand rupees or upwards, the Collector shall,

and in the case of every other person so chargeable, the Collector may cause a notice to be served on him requiring him to fill in a return of his income during one year ending on the day of the year immediately preceding the year of assessment on which his accounts have been usually made up or on the thirty-first day of March 1871, and to state in such return the period during which such income has actually accrued.

Such notice shall be in the form to be prescribed by the Governor-General in Council, and shall specify the day by which the return is to be made, and the place of the Collector's office at which the return is to be made,

Every such notice shall be signed by the Collector.

The form of the return shall accompany the notice.

24. Every person on whom such notice is served shall send to or deliver at the Collector's office the return duly filled and signed by him.

Return how made.

A declaration shall be added by such person at the foot of the return, (a) that the income stated therein is truly estimated on all the sources therein mentioned, (b) that it has actually accrued within the period therein stated, and (c) that he has no other source of income.

25. Every person, when required so to do by a notice in the form to be prescribed by the Governor-General in Council shall, within the period mentioned in such notice, prepare and deliver to the Collector a list containing, to the best of his belief, the name of every lodger or inmate resident in his dwelling-house, and of any other persons receiving salary or emoluments amounting to sixty-two rupees eight annas per mensem or upwards, employed in his service, whether resident in such dwelling-house or not, and the place of residence of such of them as are not resident in such dwelling-house, and also of any such lodger or inmate who has any ordinary place of residence elsewhere, at which he is liable under this Act to be assessed, and who desires to be so assessed at such place.

Lists of lodgers and employees.

Such lists shall be signed by the persons respectively delivering the same, and shall be prepared in the form to be prescribed as aforesaid.

26. The Collector shall from time to time determine what persons are chargeable under this Part, and the amount at which every such person shall be assessed,

Collector to determine persons chargeable.

and in making such assessment income exempted under section seven shall be treated as chargeable under this Part.

27. Every such assessment shall be made upon the full amount of such person's income during the year ending on the day of the year next before the year of assessment on which his accounts have been usually made up, or on the thirty-first day of March 1871.

Assessment to be made on past year's income.

In the case of a person for the first time becoming chargeable under this Part within the year of assessment, or within the year next before such year, the assessment shall be made according to an average of his income for such period as the Collector, under the circumstances, directs.

Assessment when assessee becomes chargeable within year.

28. The Collector shall cause a notice to be served on every person chargeable under this Part, stating—
 Notice to persons chargeable.

- (1).—The name and the profession, trade or other source of the income of such person, or in respect of which he is chargeable;
- (2).—The year or portion of the year for which the duty is to be paid;
- (3).—The place or places, district or districts, where such income accrues; and
- (4).—The amount to be paid;

and requiring him within fifteen days from the date of the service either to pay such amount or to apply to the Collector to have the assessment reduced or cancelled.

29. Such amount shall be paid to the Collector, who shall give a receipt for such payment to the person making the same:
 Officer to give receipts.

Provided that, if such income accrues at or in more than one place or district, the receipt shall be granted and payment made by and to the Collector for the place or district at or in which the person mentioned in the notice resides, or (in the case of a firm) at or in which its principal place of business in British India is situate.

Every such receipt shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

Contents of receipt. 30. Every such receipt shall specify—

- (1).—The name and source or sources of the income of the person by or on whose behalf the duty is paid;
- (2).—The year or portion of the year for which the duty is paid;
- (3).—The amount paid, and the date of payment; and
- (4).—The place or places, district or districts, where the income accrues;

and shall be admissible as evidence of all matters contained therein.

PART VI.

PETITIONS AND APPEALS AGAINST ASSESSMENTS.

31. Any person objecting to the amount at which he is assessed, or denying his liability to be assessed under Part V, may apply by petition to the Collector in order to establish his right to have the assessment reduced or cancelled:

Such petition shall ordinarily be presented within fifteen days from the date of the service of the notice mentioned in section twenty-eight. But if the Collector is satisfied that the objector has not received such notice, the petition may be presented within fifteen days from the day on which in the Collector's opinion he became aware of the assessment:

Provided that no person served with a notice under section twenty-three shall be entitled to apply by petition under this section unless he has made the return required in such notice on or before the day therein mentioned, or unless he satisfies the Collector that he had a sufficient excuse for not making such return.

The petition shall be in the form contained in the schedule hereto annexed, or as near thereto as circumstances admit, and the statements therein contained shall be verified by the petitioner or some other competent person in manner required by law for the verification of plaints.

32. The Collector shall fix a day and place for the hearing of the petition, and, on the day and at the place so fixed, or on the day and at the place (if any) to which he has adjourned such hearing, shall hear such petition and pass his order thereon.

Such order may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the petitioner's assessment to an amount to be specified in the order.

If the order be in favour of the petitioner, the Collector shall at once refund the fee on the petition.

If the order simply reject the petition or reject the petition and enhance the petitioner's assessment, the petitioner shall within fifteen days from the passing of the order pay the amount mentioned in the said notice or in the order of enhancement (as the case may be).

33. Any person dissatisfied with any order under section thirteen or section thirty-two may, within fifteen days from the date thereof, on payment of the sum payable under such order, present a petition of appeal to the Commissioner from order under section 13 or section 32.

the Commissioner of Revenue of the Division, whose order upon such appeal shall be final.

The time requisite for obtaining a copy of the order shall be excluded in computing the said period of fifteen days.

The order of such Commissioner shall be final. It may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the assessment to an amount to be specified in the decision.

If the order rejects the petition and enhances the assessment, the petitioner shall within one week from the passing of the order pay the amount mentioned in the order of enhancement.

Every petition presented under this section shall be accompanied by a copy of the petition to the Collector, and a copy of the Collector's order thereon and a list of the documents (if any) on which the appellant relies.

Copies of petition and order exempt from fees. Neither of such copies shall be chargeable under the Court Fees Act.

When the decision on such appeal is in favour of the petitioner, the value of the fee on his petition of appeal, and (where he has presented a petition to the Collector) the fee on such petition, together with the excess paid by him, or (when the decision is that the petitioner, or the Company which he represents, is not chargeable under this Act) the whole sum so paid, shall at once be refunded.

34. The Collector or Commissioner may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine how the petitioner, or the Company which he represents, should be assessed, and may examine on oath the person so summoned and the petitioner, and may require each of them to produce any documents in his possession or power relating to the sources of the income in question.

35. Whenever the Collector has reason to believe that, in assessing any person under this Act, any source of income not specified in the receipt granted to him under section twenty-nine has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a further notice to be served on such person, stating the amount to be paid in respect of such source.

The provisions contained in sections twenty-eight to thirty-four (both inclusive) shall apply to such notice and regulate the procedure thereunder.

PART VII.

PAYMENT AND RECOVERY OF DUTIES.

36. All duties under this Act, except when they are deducted under section eight, section nine or section sixteen shall be
 Tax when payable. payable on the first day of April 1871:

Provided that the amount so payable may be paid by two equal
 Payment by instal- instalments: the first instalment to be paid on some
 ments. day not later than fifteen days after service of the
 notice mentioned in section twenty-eight upon the person paying the same,
 and the second instalment on the first day of October next.

37. In any case of default under this Act, the Collector may, if a
 notice has been served on the defaulter requiring
 Recovery under reve- him to pay, within fifteen days from the date of
 nue law. the service, the amount of the duty or instalment
 due by him under this Act, either recover a sum not exceeding double the
 amount as if it were an arrear of land revenue,

or pass an order that a sum not exceeding double the amount of such
 duty or instalment shall be recovered from such defaulter.

Every such order shall have the force of a decree of a Civil Court in
 a suit in which the Government is the plaintiff and the defaulter is the
 defendant; and such order may be enforced in manner provided by the
 Code of Civil Procedure for the enforcement of decrees for money; and the
 procedure under the said Code in respect of the following matters:—

- (a) sales in execution of decrees:
- (b) arrests in execution of decrees for money:
- (c) execution of decrees by imprisonment:
- (d) claims to attached property; and
- (e) execution of decrees out of the jurisdiction of the Courts by
 which they were passed,

shall apply to every execution issued for levying the monies mentioned in
 such order, save that all the powers and duties conferred and imposed by the
 said Code upon the Court shall be executed by the Collector by whom such
 order has been made or to whom a copy thereof has been transmitted for
 execution according to the provisions of the said Code, section two hundred
 and eighty-six:

Provided that, where any person has presented a petition under section
 thirty-one, such sum shall not be recoverable from him unless, within fifteen
 days from the passing of the order thereon, he fails to pay the amount (if
 any) required by such order.

On the recovery of such sum from the defaulter, the Collector shall grant him a receipt without any further payment.

Every such receipt shall bear date from the recovery of the amount, and save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

38. If during or within two months from the end of the year for which any assessment under Part V has been made, the Company or person assessed proves to the satisfaction of the Collector, that the nett profits or income of such Company or person during such year fell short of the sum so assessed, the Collector may cause the assessment made for such year to be amended as the case requires, and if the sum assessed has been paid, may refund the sum overpaid.

In case any Company or person assessed under Part III or Part V ceases to carry on the trade or business in respect whereof such assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such Company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made,

such Company or person or its or his representative in interest may apply to the Collector within three months after the end of such year, and on proof thereof to his satisfaction, the Collector shall amend the assessment as the case may require, and give such relief to the Company or person charged as is just, and in cases requiring it, the Collector shall refund such sum as has been overpaid on the assessment amended or vacated.

PART VIII.

PENALTIES.

39. Every Treasurer, Secretary, Agent, Manager or other person failing to make any payment or deduction, or to prepare and deliver in due time any statement or return, or to produce any accounts, required by section nine, ten, eleven, twelve or thirteen,

and every trustee, guardian, curator, committee or agent failing to deliver any statement or declaration required by section nineteen, shall for every day during which such default continues, be fined, on conviction before a Magistrate, ten rupees.

The Commissioner of the Division shall have power to remit wholly or in part any penalty imposed under this section.

40. Whoever makes a statement in any declaration or list made or delivered under section twenty-four or twenty-five, which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed to have committed the offence described in section one hundred and seventy-seven of the Indian Penal Code.

False statement in declaration, list or petition.

Whoever makes a statement in any petition presented under section thirty-one which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

41. No person shall be proceeded against for any offence under section thirty-nine or section forty except at the instance of the Collector.

Prosecution to be at instance of Collector.

42. In sections one hundred and ninety-three and two hundred and twenty-eight of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Sections 193 and 228 of Penal Code to apply to proceedings.

PART IX.

MISCELLANEOUS.

43. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

Bar of suits in Civil Court.

44. All or any of the powers and duties conferred and imposed by this Act on a Collector and on a Commissioner of Revenue may be exercised and performed by such other officers or persons as the Local Government from time to time appoints in this behalf.

Exercise of powers of Collector and Commissioner.

45. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the Collector.

Service of notices.

Whenever it may be practicable, the service of the notice shall be on the person therein named, or, in the case of a firm or a Hindu undivided family, on some member thereof.

When such person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells or carries on business.

46. When any Company or firm has several places of business in the territories subject to different Local Governments, the Governor-General in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be the principal place of business, and when any Company has several Agents or Managers, which of them shall, for the purposes of this Act, be deemed to be the principal Agent or Manager.

When any Company or firm has several places of business in the territories subject to a single Local Government, such Government shall have power to declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

When any person has several places of residence in the territories subject to different Local Governments, the Governor-General in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence, and when any person has several places of residence in the territories subject to a single Local Government, such Government shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence.

The powers given by this section may be delegated to and exercised by such officers as the Governor-General in Council or the Local Government, as the case may be, from time to time appoint in this behalf.

47. The Governor-General in Council may from time to time—

Power to prescribe forms and make rules.

(a) prescribe forms for the returns, notices and lists hereinbefore mentioned,

(b) make rules consistent with this Act for the guidance of officers in matters connected with its enforcement, and make rules.

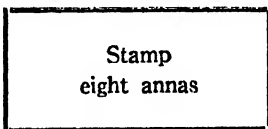
Governor-General in Council empowered to make rules.

(c) delegate to any Local Government the powers given by this section, clause (b), so far as regards the territories subject to such Government.

THE INDIAN INCOME-TAX ACT

SCHEDULE.

Form of Petition under section 31.



To

The Collector of

.....

The day of 187 .

The petition of A.B. of

SHEWETH—

1.—That under the Indian Income Tax Act your petitioner has been assessed in the sum of twenty-seven rupees for the year commencing the first day of April 187 .

2.—That your petitioner's income and profits accruing and arising from [here specify petitioner's trade or other source or sources of income or profits and the place or places at which such income or profits accrues or arise] for the year ending the thirty-first day of March last were rupees , as will appear from the documents of which a list is presented herewith.

3.—That such income and profits actually accrued and arose during a period of months and days. [Here state the exact number of months and days in which the income and profits accrued and arose.]

4.—That during the said year your petitioner had no other income or profits.

Your petitioner therefore prays that he may be assessed accordingly, and that the value of the fee on this petition may be refunded [or that he may be declared not to be chargeable under the said Act, and that the value of the fee on this petition may be refunded].

(Signed) A.B.

Form of Verification.

I, A.B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A.B.

ACT No. VIII OF 1872

CONTENTS

PREAMBLE.

PART I.

PRELIMINARY.

SECTIONS.

1. Short title.
Local extent.
Commencement and continuance of Act.
2. Interpretation-clause.
"Income".
"Magistrate".
"Company".
"Person".
"Defaulter".
"Collector".
3. Exemptions from Act.
4. Power to exempt from Act.

PART II.

DUTIES ON OFFICES.

5. Duties on offices.
6. Exemption of income less than Rs. 83-5-4 per mensem.
7. Deduction in case of Government officials and pensioners.
8. Deductions in case of servants and pensioners of Companies and Municipalities.
Payment to Government.
Indemnity.
Annual return by Treasurer, &c.
9. Subsequent deduction of duty omitted to be levied.

PART III.

DUTIES ON PROFITS OF COMPANIES.

10. Shipping Companies.
Other Companies.
Statement of result of accounts.
11. Annual return of nett profits.
12. Power to require officers of Companies to attend and produce accounts.
13. Indemnity.

PART IV.

DUTIES ON INTEREST ON GOVERNMENT SECURITIES.

14. Duty on interest.
15. Deduction of duty.
Proviso.

PART V.

DUTIES ON ALL OTHER INCOME.

16. Duty on income not charged under Parts II, III, IV.
17. Trustees guardians and committees of incapacitated persons to be charged.
Non-residents charged in names of their agents,

SECTIONS.

18. Trustees or agents of persons incapacitated or non-resident to furnish statements of income.
19. Receivers, Managers, Courts of Wards, Administrators-General and Official Trustees.
20. Power to retain duties charged on trustees, &c.
Indemnity.
21. Owners of land and houses occupying them.
Rules for assessing income from land.
22. Persons assessed under Part V of Act XII of 1871, on incomes of 1,000 rupees and upyards to be assessed at same amount.
Notice requiring returns.
23. Return how made.
24. List of lodgers and employees.
25. Collector to determine persons chargeable.
26. Assessment to be made on past year's income.
Assessment when assessee becomes chargeable within year.
27. Notice to persons chargeable.
28. Officer to give receipts.
29. Contents of receipt.

PART VI.

PETITIONS AND APPEALS AGAINST ASSESSMENTS.

30. Petition against assessment under Part V.
Proviso.
Form and verification of petition.
31. Hearing of petition.
32. Appeal to Commissioner from order under section 12 or section 31.
Documents to accompany appeal.
Copies of petition and order exempt from fees.
Return of fees and excess.
33. Power to summon persons to give necessary information.
34. Power to issue fresh notice.

PART VII.

35. Tax when payable.
Payment by instalments.
36. Recovery under revenue law.
37. Amendment of assessment.

PART VIII.

PENALTIES.

38. Treasurers, &c., failing to make payments or deliver returns.
Trustees, &c., failing to deliver statements or declarations.
39. False statement in declaration, list or petition.
40. Prosecution to be at instance of Collector.
41. Sections 193 and 228 of Penal Code to apply to proceedings.

PART IX.

MISCELLANEOUS.

42. Bar of suits in Civil Court.
43. Exercise of powers of Collector and Commissioner.
44. Service of notices.
45. Power to declare principal place of business.
Power to declare residence.
Power to prescribe forms and make rules.

SCHEDULE.

ACT No. VIII of 1872.

PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.

(Received the assent of His Excellency the Governor-General
on the 19th April 1872.)

Preamble. An Act for the purpose of imposing duties on income arising from offices, property, professions and trades; It is hereby enacted as follows:—

PART I.

PRELIMINARY.

Short title.	1. This Act may be called "The Indian Income Tax Act."
--------------	--

Local extent. It extends to the whole of British India;

It shall be deemed to have come into force on the first day of April 1872, and it shall cease to be in force on the thirty-first day of March 1873, except as to taxes payable in respect of the period previous to the said thirty-first day of March 1873 and as to penalties incurred under this Act.

The references made in the Court Fees Act, schedule II, to the Indian Income Tax Act shall be deemed to be made to this Act.

2. In this Act—unless there be something repugnant in the subject or
 Interpretation clause. context—

“Income” means income and profits accruing and arising in British India :

"Magistrate." "Magistrate" means, till the 1st day of September 1872,

any person exercising the powers of a Magistrate, or of a Sub-ordinate Magistrate of the First Class, and after the said day,

any Magistrate of the First or Second Class; and it includes a Magistrate of Police and a Justice of the Peace:

"Company" means an Association carrying on business in British India whose stock or funds is or are divided into shares and transferable, whether such Company be incorporated or not, and whether its principal place of business be situate in British India or not:

"Person." "Person" includes a firm and a Hindu undivided family:

"Defaulter" includes a Company or firm making default under this Act:

In the case of any firm or of any Company or Municipal or other public Body or Association not being a Company, "Collector" means the Collector of Land Revenue of the place or district at or in which its principal place of business in British India is situate. And in the case of any person or Hindu undivided family chargeable under this Act, "Collector" means the Collector of Land Revenue of the place or district at or in which such person or family resides.

3. Nothing in this Act applies to the pay and allowances of officers, warrant officers, non-commissioned officers and privates of Her Majesty's Forces or of Her Majesty's Indian Forces, who are not in Civil employment, when such pay and allowances do not exceed five hundred rupees per mensem;

or to any moveable or immoveable property solely employed for religious or charitable public purposes.

And no member of a firm or of a Hindu undivided family, which is for the time being chargeable under this Act, shall, as such, be chargeable under this Act.

4. The Governor-General in Council may from time to time, by order, wholly exempt from the operation of this Act the whole or any part of the income of any tribe or class of persons in British India.

Power to exempt from Act.

The Governor-General in Council may revoke any such order.

All orders and revocations made under this section shall be published in the *Gazette of India*.

PART II.

DUTIES ON OFFICES.

5. A duty of two pies for every rupee shall be levied in respect of every office or employment of profit in British India under Government or under a Company or a Municipal or other public Body or Association not being a Company,

Duties on offices.

and upon every salary, annuity or pension, paid in British India by Government or by a Company or by a Municipal or other public Body or Association not being a Company to any person, residing in British India, or serving on board a ship plying to and from British Indian ports, whether on account of himself or another person.

6. No income amounting to less than eighty-three rupees, five annas and four pies per mensem shall be chargeable under this Part.

Exemption of incomes less than Rs. 83-5-4 per mensem.

7. In the case of every person holding any paid office, employment or commission under Her Majesty or under the Government of India, or under any Local Government, or receiving any annuity or pension from Her Majesty or any such Government,

Deduction in case of Government officials and pensioners.

the duty, to which he is liable under this Part, shall be deducted from his pay, annuity, or pension at the time of payment by the Examiner of Claims or other proper officer, and shall be deemed to be a tax paid under this Act.

8. In the case of every person holding a paid employment under, or receiving any annuity or pension from, any Company or any Municipal or other public Body or Association not being a Company, the duty to which he is liable under this Part shall be deducted from his pay, annuity, or pension, at the time of payment by the Treasurer or other officer whose duty it is to make such payments, and shall be deemed to be a tax payable under this Act.

Deductions in case of servants and pensioners of Companies and Municipalities.

Every such Treasurer or other officer shall, as soon as may be after making such deductions, pay to the credit of the Government of India, or as such Government from time to time directs, the amount of such deductions, and shall be answerable to such Government for such payment.

Payment to Government.

Every Company, public Body or Association, Treasurer or other officer as aforesaid is hereby indemnified for all deductions and payments made in pursuance of this Part.

Indemnity.

The Treasurer, Secretary or principal Agent or Manager of every such Company and public Body or Association shall prepare, and, on or before the fifteenth day of May next deliver, to the Collector, in such form as may be prescribed by the Governor-General in Council, a return in writing showing the names of every person, holding at the date of the said return a paid employment under, or receiving a pension or annuity from, such Company or Body or Association whose pay or pension or annuity as such amounts to eighty-three rupees, five annas and four pies per mensem or upwards, together with the salaries, annuities or pensions payable by the Company or public Body or Association to all such persons respectively.

9. Whenever the duty, leviable under this Part in any month, is not deducted at the time of payment in that month from the pay, annuity or pension chargeable therewith, it shall be deducted from such pay, annuity or pension at some subsequent time of payment.

PART III.

DUTIES ON PROFITS OF COMPANIES.

10. The Treasurer, Secretary or principal Agent or Manager in India of every Company shall, in the case of a Shipping Company trading between British India and any other country, pay to Government in respect of one moiety of the nett profits made by each of the ships of such Company engaged in such trade, during the year ending on the day on which the Company's accounts shall have been last made up, the duty of two pies in the rupee:

and, in the case of every other Company, pay to Government in respect of the whole of the nett profits made in British India by such Company during the year ending on the day on which the Company's accounts shall have been last made up, the duty of two pies for every rupee,

and shall prepare, and, on or before the fifteenth day of May next, deliver to the Collector, a statement in writing signed by him showing the result of such accounts.

11. If in the case of any Company no such accounts have been made up within the year ending on the thirty-first day of March 1872, the Treasurer, Secretary or principal Agent or Manager of such Company shall prepare, and, on or before the fifteenth day of May next, deliver to the

Collector a return in writing, signed by him and stating the nett profits made by such ships or by the Company (as the case may be) during the year ending on the said thirty-first day of March.

12. Whenever the Collector has reason to believe that any statement or return mentioned in section ten or section eleven is incorrect or incomplete, he may cause a notice to be served on the Treasurer, Secretary, Agent or Manager by whom such statement or return was delivered, requiring him, on or before a day to be mentioned in the notice, to attend at the Collector's office and to produce for the inspection of the Collector such of the accounts of the Company as refer to the year mentioned in section ten or section eleven, as the case may be, and as are in the possession or power of such Treasurer, Secretary, Agent or Manager.

Power to require officers of Companies to attend and produce accounts.

The Collector shall thereupon make an order, determining the amount at which the Company shall be assessed under this Part and the day on which such amount shall be paid; and, subject to the provisions hereinafter contained, such sum shall be payable accordingly.

13. Every such Treasurer, Secretary, Agent or Manager is hereby indemnified for all payments made in pursuance of section ten or section twelve.

Indemnity.

PART IV.

DUTIES ON INTEREST ON GOVERNMENT SECURITIES.

14. A yearly duty of two pies for every rupee shall be levied upon all interest on securities of the Government of India becoming due on or after the first day of April 1872.

Duty on interest.

15. Every person empowered to pay such interest shall deduct the duty at the place where the interest is paid,

Deduction of duty.

and shall, as soon as may be after making such deduction, pay the same to the credit of the Government of India, or as such Government from time to time directs:

Provided that no such duty shall be deducted from the interest on any such security, where the owner thereof produces a certificate signed by the Collector that his annual income, including such interest, is less than one thousand rupees.

Proviso.

PART V.

DUTIES ON ALL OTHER INCOME.

16. A yearly duty of two pies for every rupee shall be levied upon all incomes of one thousand rupees per annum or upwards not chargeable under Part II, Part III, or Part IV of this Act.

Duty on income not charged under Parts II, III, IV.

17. The trustee, guardian, curator, or committee of any infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of such infant, married woman, lunatic or idiot, whether such infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married woman, lunatic or idiot be chargeable under this Part, be chargeable with the said duty in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic or idiot if he were capable of acting for himself.

Trustees, guardians and committees of incapacitated persons to be charged.

Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under this Part, shall be chargeable in the name of such agent in the like manner and to the like amount as he would be charged if resident in British India and in actual receipt of such income.

Non-residents charged in names of their agents.

18. Every trustee, guardian, curator, committee or agent shall, when required by the Collector, deliver a statement signed by him, of the amount of the income, in respect whereof he is chargeable on account of such infant, married woman, lunatic, idiot or non-resident, together with a declaration of the truth of the statement.

Trustees or agents of persons incapacitated or non-resident to furnish statements of income.

The Collector shall have power to serve a notice upon any person, whom he has reason to believe to be a trustee, guardian, curator, committee, or agent requiring him to deliver, on or before a day to be specified in the notice, a statement, signed by him, of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

19. Receivers or Managers appointed by any Court in India, the Courts of Wards, the Administrators-General of Bengal, Madras and Bombay, and the Official Trustees, shall be chargeable under this Act in respect of all income officially in their possession or under their control.

Receivers, Managers, Courts of Wards, Administrators-General and Official Trustees.

20. When any trustee, guardian, curator, committee or agent is assessed under this Act in such capacity;

Power to retain duties charged on trustees, &c.

or when any receiver or manager appointed by any Court, any Court of Wards, Administrator-General, or Official Trustee is assessed under this Act in respect of the income and profits officially received by him;

every person and Court so assessed may, from time to time, out of the money coming to his or its possession as such trustee, guardian, curator, committee or agent, or as such receiver, manager, Court of Wards, Administrator-General or Official Trustee, retain so much as shall be sufficient to pay the amount of the assessment.

Every such person and Court is hereby indemnified for every retention and payment made in pursuance of this Act.

Indemnity.

21. Owners of lands or houses, occupying the same, shall be chargeable in respect of the annual value thereof at nine-tenths of the full rent at which such lands or houses are worth to be let for the year.

Owners of lands and houses occupying them.

The Local Government may, with the sanction of the Governor-General in Council, prescribe for the whole or any part of the territories subject to such Local Government, special rules for the assessment of incomes derived from land, at an amount bearing a fixed proportion to the revenue assessed thereon.

Rules for assessing income from land.

All such rules shall be published in the local official Gazette and shall thereupon have the force of law.

22. Every person, chargeable under this Part, shall, if he was assessed under Part V of Act XII of 1871 on an income of rupees 1,000 or upwards, be assessed at the same amount as that at which he was assessed under the said Act; but any such person may apply under the provisions of Part VI to have such assessment reduced or cancelled.

Persons assessed under Part V of Act XII of 1871, on incomes of 1,000 rupees and upwards to be assessed at same amount.

In the case of every person chargeable under this Part, to whom the provisions of the last preceding paragraph do not apply, and whose annual income is, in the Collector's opinion, four thousand rupees or upwards, the Collector shall,

Notice requiring returns.

and in the case of every such person whose annual income is, in the Collector's opinion, less than four thousand rupees, the Collector may,

cause a notice to be served on him, requiring him to fill in a return of his income during one year, ending on the day of the year immediately preceding the year of assessment on which his accounts have been usually made up, or on the thirty-first day of March 1872, and to state in such return the period during which such income has actually accrued.

Such notice shall be in the form to be prescribed by the Governor-General in Council, and shall specify the day by which the return is to be made, and the place of the Collector's office to which the return is to be made.

Every such notice shall be signed by the Collector.

The form of the return shall accompany the notice.

23. Every person, on whom such notice is served, shall send to or deliver at the Collector's office the return duly filled in and signed by him.

Return how made.

A declaration shall be added by such person at the foot of the return, (a) that the income stated therein is truly estimated on all the sources therein mentioned, (b) that it has actually accrued within the period therein stated, and (c) that he has no other source of income.

24. Every person, when required so to do by a notice in the form to be prescribed by the Governor-General in Council, shall, within the period mentioned in such notice, prepare and deliver to the Collector a list containing, to the best of his belief, the name of every lodger or inmate resident in his dwelling-house, and of any other persons receiving salary or emoluments amounting to eighty-three rupees, five annas and four pies per mensem or upwards, employed in his service, whether resident in such dwelling-house or not, and the place of residence of such of them as are not resident in such dwelling-house, and also of any such lodger or inmate, who has any ordinary place of residence elsewhere, at which he is liable under this Act to be assessed, and who desires to be so assessed at such place.

Lists of lodgers and employees.

Such lists shall be signed by the persons respectively delivering the same, and shall be prepared in the form to be prescribed as aforesaid.

25. The Collector shall from time to time determine what persons are chargeable under this Part, and the amount at which every such person shall be assessed;

Collector to determine persons chargeable.

and in making such assessment income exempted under section six shall be treated as chargeable under this Part.

26. Every such assessment shall be made upon the full amount of such person's income during the year ending on the day of the year next before the year of assessment on which his accounts have been usually made up, or on the thirty-first day of March 1872.

Assessment to be made on past year's income.

In the case of a person for the first time becoming chargeable under this Part within the year of assessment, or within the year next before such year, the assessment shall be made according to an average of his income for such period as the Collector, under the circumstances, directs.

27. The Collector shall cause a notice to be served on every person chargeable under this Part, stating—
 Notice to persons chargeable.

(1).—The name and the profession, trade or other source of the income of such person, or in respect of which he is chargeable;

(2).—The year or portion of the year for which the duty is to be paid;

(3).—The place or places, district or districts, where such income accrues; and

(4).—The amount to be paid;

and requiring him within fifteen days from the date of the service either to pay such amount or to apply to the Collector to have the assessment reduced or cancelled.

28. Such amount shall be paid to the Collector, who shall give a receipt for such payment to the person making the same.
 Officer to give receipts.

Provided that, if such income accrues at or in more than one place or district, the receipt shall be granted and payment made by and to the Collector for the place or district at or in which the person mentioned in the notice resides, or (in the case of a firm) at or in which its principal place of business in British India is situate.

Every such receipt shall be signed by the Collector granting it, or by such other officer as he shall from time to time empower in this behalf, and such signature shall be judicially noticed.

Contents of receipt. 29. Every such receipt shall specify—

(1).—The name and source or sources of the income of the person by or on whose behalf the duty is paid:

(2).—The year or portion of the year for which the duty is paid:

(3).—The amount paid, and the date of payment; and

(4).—The place or places, district or districts, where the income accrues;

and shall be admissible as evidence of all matters contained therein.

PART VI.

PETITIONS AND APPEALS AGAINST ASSESSMENTS.

30. Any person objecting to the amount at which he is assessed, or denying his liability to be assessed under Part V, may apply by petition to the Collector in order to establish his right to have the assessment reduced or cancelled;

Such petition shall ordinarily be presented within fifteen days from the date of the service of the notice mentioned in section twenty-seven. But if the Collector is satisfied that the objector has not received such notice, the petition may be presented within fifteen days from the day on which in the Collector's opinion he became aware of the assessment:

Provided that no person, served with a notice under section twenty-two, shall be entitled to apply by petition under this section, unless he has made the return required in such notice on or before the day therein mentioned, or unless he satisfies the Collector that he had a sufficient excuse for not making such return.

The petition shall be in the form contained in the schedule hereto annexed, or as near thereto as circumstances admit; and the statements therein contained shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

31. The Collector shall fix a day and place for the hearing of the petition, and, on the day and at the place so fixed, or on the day and at the place (if any) to which he has adjourned such hearing, shall hear such petition and pass his order thereon.

Such order may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the petitioner's assessment to an amount to be specified in the order.

If the order be in favour of the petitioner, the Collector shall at once refund the fee on the petition.

If the order simply reject the petition, or reject the petition and enhance the petitioner's assessment, the petitioner shall within fifteen days from the passing of the order pay the amount mentioned in the said notice, or in the order of enhancement (as the case may be).

32. Any person, dissatisfied with any order under section twelve or section thirty-one, may, within fifteen days from the date thereof, on payment of the sum payable under such order, present a petition of appeal to the Commissioner of Revenue of the Division, whose order upon such appeal shall be final.

The time requisite for obtaining a copy of the order shall be excluded in computing the said period of fifteen days.

The order of such Commissioner shall be final. It may be in favour of the petitioner, or it may simply reject the petition, or it may reject the petition and enhance the assessment to an amount to be specified in the decision.

If the order rejects the petition and enhances the assessment, the petitioner shall, within one week from the passing of the order, pay the amount mentioned in the order of enhancement.

Every petition presented under this section shall be accompanied by a

Documents to accompany appeal. copy of the petition to the Collector, and a copy of the Collector's order thereon, and a list of the documents, if any, on which the appellant relies.

Copies of petition and order exempt from fees.

Neither of such copies shall be chargeable under the Court Fees Act.

When the decision on such appeal is in favour of the petitioner, the

Return of fees and excess.

value of the fee on his petition of appeal, and (where he has presented a petition to the Collector) the fee on such petition, together with the excess paid by him, or (when the decision is that the petitioner, or the Company which he represents, is not chargeable under this Act) the whole sum so paid, shall at once be refunded.

33. The Collector or Commissioner may summon any person whom

Power to summon persons to give necessary information.

he thinks able to give evidence for the purpose of enabling him to determine how the petitioner, or the Company which he represents, should be assessed, and may examine on oath the person so summoned and the petitioner; and may require each of them to produce any documents in his possession or power relating to the sources of the income in question.

34. Whenever the Collector has reason to believe that, in assessing

Power to issue fresh notice.

any person under this Act, any source of income not specified in the receipt granted to him under section twenty-eight, has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a further notice to be served on such person, stating the amount to be paid in respect of such source.

The provisions contained in sections twenty-seven to thirty-three (both inclusive) shall apply to such notice and regulate the procedure thereunder.

PART VII.

PAYMENT AND RECOVERY OF DUTIES.

35. All the duties under this Act, except when they are deducted under section seven, section eight or section fifteen shall be payable on the first day of May 1872:

Tax when payable.

Provided that the amount so payable may be paid by two equal instalments: the first instalment to be paid on some day not later than fifteen days after service of the notice mentioned in section twenty-seven upon the person paying the same, and the second instalment on the first day of October next.

Payment by instalments.

36. In any case of default under this Act, the Collector may, if a notice has been served on the defaulter requiring him to pay, within fifteen days from the date of the service, the amount of the duty or instalment due by him under this Act, either recover a sum not exceeding double the amount as if it were an arrear of land revenue,

Recovery under revenue law.

or pass an order that a sum, not exceeding double the amount of such duty or instalment, shall be recovered from such defaulter.

Every such order shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and such order may be enforced in manner provided by the Code of Civil Procedure for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters:—

- (a) sales in execution of decrees:
- (b) arrests in execution of decrees for money:
- (c) execution of decrees by imprisonment:
- (d) claims to attached property; and
- (e) execution of decrees out of the jurisdiction of the Courts by which they were passed,

shall apply to every execution issued for levying the monies mentioned in such order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be executed by the Collector, by whom such order has been made or to whom a copy thereof has been transmitted for execution according to the provisions of the said Code, section two hundred and eighty-six:

Provided that, where any person has presented a petition under section thirty, such sum shall not be recoverable from him unless, within fifteen days from the passing of the order thereon, he fails to pay the amount, if any, required by such order.

On the recovery of such sum from the defaulter, the Collector shall grant him a receipt without any further payment.

Every such receipt shall bear date from the recovery of the amount, and save as aforesaid, the provisions of this Act relating to receipts shall apply to receipts granted under this section.

37. If, during or within two months from the end of the year for which any assessment under Part V has been made, the Company or person assessed proves to the satisfaction of the Collector, that the nett profits or income of such Company or person during such year fell short of the sum so assessed, the Collector may cause the assessment made for such year to be amended, as the case requires, and if the sum assessed has been paid, may refund the sum overpaid.

In case any Company or person, assessed under Part III or Part V, ceases to carry on the trade or business, in respect whereof such assessment was made; or if any such person dies or becomes insolvent before the end of the year for which the assessment was made; or if any such Company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made,

such Company or person or its or his representative in interest may apply to the Collector within three months after the end of such year, and on proof thereof to his satisfaction, the Collector shall amend the assessment as the case may require, and give such relief to the Company or person charged as is just, and in cases requiring it, the Collector shall refund such sum as has been overpaid on the assessment amended or vacated.

PART VIII.

PENALTIES.

38. Every Treasurer, Secretary, Agent, Manager or other person, failing to make any payment or deduction, or to prepare and deliver in due time any statement or return, or to produce any accounts, required by section eight, ten, eleven or twelve,

and every trustee, guardian, curator, committee or agent, failing to deliver any statement or declaration required by section eighteen,

shall for every day during which such default continues, be fined, on conviction before a Magistrate, ten rupees.

The Commissioner of the Division shall have power to remit wholly or in part any penalty imposed under this section.

39. Whoever makes a statement in any declaration or list made or delivered under section twenty-three or twenty-four, which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed to have committed the offence described in section one hundred and seventy-seven of the Indian Penal Code.

False statement in declaration, list or petition.

Whoever makes a statement in any petition, presented under section thirty, which is false, and which he either knows or believes to be false, or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

40. No person shall be proceeded against for any offence under section thirty-eight or section thirty-nine except at the instance of the Collector.

Prosecution to be at instance of Collector.

41. In sections one hundred and ninety-three and two hundred and twenty-eight of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Sections 193 and 228 of Penal Code to apply to proceedings.

PART IX.

MISCELLANEOUS.

42. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

Bar of suits in Civil Court.

43. All or any of the powers and duties conferred and imposed by this Act on a Collector and on a Commissioner of Revenue, may be exercised and performed by such other officers or persons as the Local Government from time to time appoints in this behalf.

Exercise of powers of Collector and Commissioner.

44. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the Collector.

Service of notices.

Whenever it may be practicable, the service of the notice shall be on the person therein named, or, in the case of a firm or a Hindu undivided family, on some member thereof,

When such person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells, or carries on business.

45. When the Company or firm has several places of business in the territories subject to different Local Governments, the Governor-General in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be the principal place of business; and, when any Company has several Agents or Managers, which of them shall, for the purposes of this Act, be deemed to be the principal Agent or Manager.

When any Company or firm has several places of business in the territories subject to a single Local Government, such Government shall have power to declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

When any person has several places of residence in the territories subject to different Local Governments, the Governor-General in Council shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence; and when any person has several places of residence in the territories subject to a single Local Government, such Government shall have power to declare which of such places shall, for the purposes of this Act, be deemed to be his residence.

The powers given by this section may be delegated to and exercised by such officers as the Governor-General in Council or the Local Government, as the case may be, from time to time appoint in this behalf.

46. The Governor-General in Council may from time to time

- (a) prescribe forms for the returns, notices and lists hereinbefore mentioned,
 - (b) make rules consistent with this Act for the guidance of officers in matters connected with its enforcement, and
 - (c) delegate to any Local Government the powers given by this section, clause (b), so far as regards the territories subject to such Government.
-

SCHEDULE.

Form of Petition under section 30.

Stamp eight annas

To

The Collector of

The day of 187 .

The petition of A.B. of

SHEWETH—

1.—That under the Indian Income Tax Act, your petitioner has been assessed in the sum of *twenty-seven* rupees for the year commencing the first day of April 1872.

2.—That your petitioner's income and profits accruing and arising from [*here specify petitioner's trade or other source or sources of income or profits, and the place or places at which such income or profits accrues or arise*] for the year ending the thirty-first day of March last were rupees , as will appear from the documents of which a list is presented herewith.

3.—That such income and profits actually accrued and arose during a period of months and days. [*Here state the exact number of months and days in which the income and profits accrued and arose.*]

4.—That during the said year your petitioner had no other income or profits.

Your petitioner therefore prays that he may be assessed accordingly, and that the value of the fee on this petition may be refunded [*or that he may be declared not to be chargeable under the said Act, and that the value of the fee on this petition may be refunded*].

(Signd.) A.B.

Form of Verification.

I, A.B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signd.) A.B.

ACT No. II OF 1886.

STATEMENT OF OBJECTS AND REASONS.

It having been found necessary to have recourse to legislation for the purpose of increasing the public revenues, it has been decided to extend the existing License Tax to offices, employments and professions, and, generally, to make liable to assessment all incomes derived from sources other than agriculture.

The existing License Tax Acts are repealed and a single Act for all India is substituted.

The rate of the tax has been slightly raised, and the area of its incidence has been, as above stated, extended; but the principles of the License Tax are closely followed in the case of annual incomes below Rs. 2,000, and the procedure and machinery for assessment and collection are maintained in the case of all incomes so far as is consistent with the altered conditions of the tax.

The 4th January, 1886.

A. COLVIN.

S. HARVEY JAMES,

Offg. Secretary to the Government of India.

**Bills introduced into the Council of the Governor-General for making,
Laws and Regulations, or Published under Rule 22.**

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Report of the Select Committee on the Bill for imposing a tax on income derived from sources other than agriculture was presented to the Council of the Governor-General of India for the purpose of making Laws and Regulations on the 22nd January 1886:—

* * * * *

2. We have provided in section 1 that the Act shall come into force on the first day of April next. During the time which elapses between the passing of the Bill and that date, the Government will be able to prepare and issue its rules, and Collectors to make such arrangements for the assessment of the tax as they can make without calling in aid the provisions of the Act. It is important that Collectors should know as soon as possible

what income will be assessable, and that the Government should at once be in a position to frame the necessary rules for assessment.

3. In section 5 we have, with advertence to section 24 (section 23 of the Bill as introduced), inserted a clause (clause (c)) excepting from liability to the tax the whole of the annual value of buildings which landholders and agriculturists own and occupy on, or in the immediate neighbourhood of, the land they hold and cultivate, and which are necessary to them in the exercise of their vocation as landholders and agriculturists. Thus, while a landholder will be exempt from the tax in respect of the annual value of the homestead (if any) appurtenant to his land, he will be assessable in respect of any other house he may own and occupy.

4. We have inserted in the same section a further clause (clause (f)), based on the English law, excepting from liability to the tax any portion, not exceeding one-sixth, of his income which a person pays either to the Government or to a company in respect of life-insurance or deferred annuity.

5. Clause (d) of section 5 (clause (c) of that section in the Bill as introduced) is based on a similar clause in Act VIII of 1872. The exemption appears to us to be sufficient to cover educational endowments, and does not, as has been suggested, open a door to the evasion of the Act by colourable gifts to idols or any like device.

6. We have omitted sub-section (2) of the same section in the Bill as introduced. There appears to us not to be sufficient ground for making, between official salaries and other incomes, the distinction which was proposed in that sub-section.

7. By the new sub-section (2) appended to section 5, we have made it clear that a salaried manager of land is not exempt from the tax by reason only of the income of his employer being exempt therefrom.

8. We have ascertained that companies and some other private employers are much opposed to that provision of the Bill as introduced which imposed on them the duty of deducting the tax from the salaries of their employees. To the argument that there was such a provision in force in the years 1869-72, they reply that the provision was then a fruitful cause of misunderstanding and disagreement between them and their subordinates. Under these circumstances it appears to us that companies ought not to be compelled to collect the tax. We have therefore modified section 8 of the Bill, and empowered the Collector, by a new section (section 9), to enter into an arrangement with any private employer, on terms to be mutually agreed on, for the collection by the employer of the tax payable by his employees.

9. Section 10 of the Bill as introduced followed the Acts of 1869 and 1872 in making special provision for the taxation of shipping companies. It has been stated, and we have satisfied ourselves, that the provision was

unworkable and, in practice, inoperative. It has therefore been omitted from section 11, and the second schedule, of the Bill as amended by us: and we have added to section 5 a special exemption clause (d) in favour of shipping companies incorporated or registered out of British India and having their principal places of business out of India and their ships ordinarily engaged in sea-going traffic out of Indian waters.

10. To section 18 (section 17 of the Bill as introduced) we have added clauses empowering the Local Government to authorise the Collector in any specified town or place to publish general notices inviting tax-payers to make returns of their income, and in any presidency-town to serve special notices on individual tax-payers inviting them to make such returns.

11. In section 24 (section 23 of the Bill as introduced) we have provided for houses occupied by their owners being assessed at five-sixths, instead of nine-tenths, of their annual value. We have thus reverted to the principle of section 132 of Act XXXII of 1860.

12. We have so modified section 27 (section 26 of the Bill as introduced) as to require the Commissioner to call for the record in the case of a petition for the revision of any assessment of two hundred and fifty rupees or upwards.

13. In section 30 (section 29 of the Bill as introduced) we have provided for the continuance of the summary process of recovery described in section 24 of the Bengal License Act, 1880.

14. In sub-section (5) of the same section we have provided that no proceedings for the recovery of any sum payable under the Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable. The section as amended by us is more restrictive on the revenue-authorities than the corresponding section of the Bengal License Act, 1880, and less so than the corresponding section of the Northern India License Act, 1878.

15. In section 31 provision has been made, as in Act XXXII of 1860, for composition of the tax.

16. Seeing that provision is made in Chapter IV for revision of assessment, we think that section 32, sub-section (1), of the Bill as introduced should be omitted, and that section 31 of that Bill may also be omitted, as being likely, by suggesting the disturbance of settled assessments, to create irritation with which the additional revenue raised under the section would be incommensurate.

17. In section 38 of the Bill as amended by us (section 37 of the Bill as introduced) we have provided for rules being made for securing secrecy in regard to information furnished in documents relating to incomes of assesses.

18. We have deemed it desirable to specify more particularly than in section 40 of the Bill as introduced the information which may be required

by a Collector for the purposes of the Act. We have, therefore, for that section substituted sections 41 to 45 of the Bill as amended.

19. We have modified section 45 (section 41 of the Bill as introduced) by providing that the delivery of a letter duly posted shall only be presumed, and we have required the letter to be registered.

20. From the first column of Part III of the second schedule to the Bill as introduced we have omitted the clause relating to stock of, or shares in, guaranteed railway companies. The clause is unnecessary, as all railway companies will be assessed on their nett earnings. We have, however, provided in new clause (c) of Part III for the recovery, in the manner prescribed in section 13, of the interest on debentures issued by companies.

21. The publication ordered by the Council has been made as follows:—

IN ENGLISH.

Gazette.	Date.
Gazette of India	5th, 9th and 16th January, 1886.
Fort St. George Gazette	20th January, 1886.
Bombay Government Gazette	14th January, 1886.
Calcutta Gazette	13th and 20th January, 1886.
North-Western Provinces and Oudh Government Gazette	16th January, 1886.
Central Provinces Gazette	16th January, 1886.

22. We do not think that the measure has been so altered as to require re-publication and we recommend that it be passed as now amended.

A. COLVIN.

C. P. ILBERT.

T. C. HOPE.

V. N. MANDLIK.*

PEARI MOHAN MUKERJI.†

J. W. QUINTON.

ROBERT STEEL.

W. W. HUNTER.

The 22nd January, 1886.

* I differ from the majority on sections 1, 5, clause (d), and section 24. I think the Bill should terminate in one or two years; I think clause (d), section 5, should be modified or left out, and section 24 should be made applicable only to houses in principal towns and cities.

V. N. MANDLIK.

† I sign this Report with reservation of opinion on the following provisions, namely, (1) "and in each subsequent year" in section 4; (2) clause (J) of section 5; and (3) section 24.

PEARI MOHAN MUKERJI.

ACT No. II of 1886.

CONTENTS

CHAPTER I.

PRELIMINARY.

SECTIONS.

1. Extent and commencement.
 2. Repeal.
 3. Definitions.
-

CHAPTER II.

LIABILITY OF TAX.

4. Incomes liable to the tax.
 5. Exceptions.
 6. Power to make exemptions.
-

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

7. Mode of payment in case of Government officials and pensioners.
8. Mode of payment in case of servants and pensioners of local authorities.
9. Mode of payment in case of servants and pensioners of companies and private employers.
10. Annual return by principal officer of company or association.

B.—Profits of Companies,

11. Annual statement of nett profits.
12. Power to require officers of companies to produce accounts.

C.—Interest on Securities.

13. Mode of payment of tax on interest on securities.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

14. Collector to determine persons chargeable.
15. Mode of making assessment.
16. List of incomes under two thousand rupees.
17. Notices to persons with incomes of two thousand rupees and upwards.
18. Power to modify ordinary procedure in special cases.
19. Time and place of payment.

Trustees, Agents, Managers and Incapacitated Persons.

20. Trustees, guardians and committees of incapacitated persons to be charged.
21. Non-residents to be charged in names of their agents.

SECTIONS.

22. Receivers, Managers, Courts of Wards, Administrators General and Official Trustees.
23. Power to retain duties charged on trustees, &c.
Occupying Owners.
24. Provision for tax on occupying owners.

CHAPTER IV.

REVISION OF ASSESSMENT.

25. Petition to Collector against assessment under Part IV.
26. Hearing of petition.
27. Petition to Commissioner for revision.
28. Power to summon witnesses, &c.

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

29. Tax when payable.
30. Mode and time of recovery.

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Composition.

31. Agreements for composition.

Receipts.

32. Receipts and their contents.

Amendment of Assessment.

33. Amendment of assessment.

Penalties.

34. Failure to make payments or deliver returns or statements.
35. False statement in declaration.
36. Prosecution to be at instance of Collector.
37. Sections 193 and 228 of Penal Code to apply to proceedings.

Power to make Rules.

38. Power to make rules.

Miscellaneous.

39. Bar of suits in Civil Court.
40. Exercise of powers of Collector and Commissioner.
41. Obligation to furnish information respecting lodgers and employés.
42. Trustees and agents to furnish information as to beneficiaries and principals.
43. Trustees, &c., to furnish information as to income.
44. Obligations to furnish other information.
45. Sections 176 and 177 of Penal Code to apply to requisitions for information.
46. Service of notices.
47. Power to declare principal place of business or residence.
48. Saving in favour of payers of pândharî and capitation taxes.
49. Indemnity.
50. Powers exercisable from time to time.

THE FIRST SCHEDULE.—ENACTMENTS REPEALED.

THE SECOND SCHEDULE.—SOURCES OF INCOME AND RATES OF TAX.

THE THIRD SCHEDULE.—FORM OF PETITION.

ACT No. II OF 1886.

PASSED BY THE GOVERNOR GENERAL, OF INDIA IN COUNCIL.

*(Received the assent of the Governor General on the
29th January, 1886.)*

An Act for imposing a tax on income derived from sources
other than agriculture.

WHEREAS it is expedient to impose a tax on income derived from
sources other than agriculture; it is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

1. (1) This Act extends to the whole of British India, and applies
also, within the dominions of Princes and States
in India in alliance with Her Majesty, to British
subjects in those dominions who are in the service of the Government of
India or of a local authority established in the exercise of the powers of
the Governor General in Council in that behalf; and

(2) It shall come into force on the first day of April, 1886.

(3) Any power conferred by this Act to make rules or to issue orders
may be exercised at any time after the passing of this Act; but a rule or
order so made or issued shall not take effect until the Act comes into force.

2. On and from the day on which this Act comes into force the
enactments specified in the first schedule to this
Act shall be repealed, except as to fees payable
and other sums due under those enactments and the mode of recovering
the same.

3. In this Act, unless there is something repugnant in the subject or
context,—

(1) "local authority" means any municipal committee, district board,
body of port commissioners or other authority legally entitled to, or
entrusted by the Government with, the control or management of any
municipal or local fund;

(2) "company" means an association carrying on business in British India, whose stock or funds is or are divided into shares and transferable, whether the company is incorporated or not, and whether its principal place of business is situate in British India or not:

(3) "prescribed" means prescribed by the Governor General in Council by notification in the Gazette of India, or by the Governor General in Council or a Local Government by rules made under this Act:

(4) "salary" includes allowances, fees, commissions, perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit; but, subject to any rules which may be prescribed in this behalf, it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure:

(5) "income" means income and profits accruing and arising or received in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any salary, annuity, pension or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf:

(6) "Magistrate" means a Presidency Magistrate or a Magistrate of the first or second class:

(7) "person" includes a firm and a Hindu undivided family:

(8) "defaulter" includes a company or firm making default under this Act:

(9) "Collector" means the chief officer in charge of the revenue-administration of a district, and, in a presidency-town, any officer whom the Local Government, by notification in the official Gazette, may, by name or by virtue of his office, appoint to be a Collector for the purposes of this Act; in the case of a company or firm, it means the Collector, as here defined, of the district or presidency-town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the Collector, defined as aforesaid, of the district or presidency-town in which the person has his residence:

(10) "principal officer," used with reference to a local authority or a company or any other public body or association not being a local authority or company, means—

(a) the secretary, treasurer, manager or agent of the authority, company, body or association; or

(b) any person connected with the authority, company, body or association upon whom the Collector has caused a notice to

be served of his intention of treating him as the principal officer thereof; and

(11) "Part" means a Part of the second schedule to this Act.

CHAPTER II.

LIABILITY TO TAX.

4. Subject to the exceptions mentioned in the next following section, there shall be paid, in the year beginning with the first day of April, 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor General in Council directs, in respect of the sources of income specified in the first column of the second schedule to this Act, a tax at the rate specified in that behalf in the second column of that schedule.

Exceptions. 5. (1) Nothing in section 4 shall render liable to the tax—

(a) any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land-revenue or subject to a local rate assessed and collected by officials of the Government, as such; or

(b) any income derived from—

(i) agriculture, or

(ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or

(iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, when he does not keep a shop or stall for the sale of such produce; or

(c) any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (a), or by the cultivator, or the receiver of rent-in-kind, of any land with respect to which or the produce whereof any operation mentioned in clause (b) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection

with the land, requires as a dwelling-house, or as a store-house, factory or other out-building; or

(d) any profits of a shipping company incorporated or registered out of British India and having its principal place of business out of India and its ships ordinarily engaged in sea-going traffic out of Indian waters; or

(e) any income derived from property solely employed for religious or public charitable purposes; or

(f) any income which a person enjoys as a member of a company or of a firm or of a Hindu undivided family when the company or the firm or the family is liable to the tax; or,

(g) subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth, of the income in respect whereof a person would, but for this exception, be chargeable under this Act, as is deducted from the salary of the person under the authority or with the permission of the Government for the purpose of securing a deferred annuity to him or a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on the life of his wife; or

(h) any interest on stock-notes; or

(i) the salary of any officer, warrant-officer, non-commissioned officer or private of Her Majesty's Forces or of Her Majesty's Indian Forces who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose salary does not exceed five hundred rupees per mensem; or

(j) any person whose income from all sources is less than five hundred rupees per annum.

(2) An officer or servant is not exempt from taxation under this Act by reason only of the income of his employer being exempt therefrom under this section.

6. The Governor General in Council may, by notification in the Gazette of India, exempt from liability to the tax the whole or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

Power to make exemptions.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

7. In the case of a person receiving any salary, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the salary, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof.

Mode of payment in case of Government officials and pensioners.

8. (1) In the case of a person receiving any salary, annuity, pension or gratuity from a local authority, the tax to which he is liable under Part I shall, at the time of the payment to him of any of the salary, annuity, pension or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that officer within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

Mode of payment in case of servants and pensioners of local authorities.

(2) If that officer does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(3) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the Collector shall, be deducted when any salary, annuity, pension or gratuity is subsequently paid to the person liable to the tax.

(4) The power to deduct under this section shall be without prejudice to any other mode of recovery.

9. (1) The tax to which a person receiving any salary, annuity, pension or gratuity from a company, or from any other public body or association not being a local authority or company, or from a private employer, is liable under Part I shall be payable by him at the time when any portion of the salary, annuity, pension or gratuity is paid to him.

Mode of payment in case of servants and pensioners of companies and private employers.

(2) The Collector may, subject to such conditions as may be prescribed, enter into an arrangement with any company, or any such body or association as aforesaid, or any private employer, with respect to the recovery on behalf of the Government by the company, body, association or employer of the tax to which any person receiving any salary, annuity, pension or gratuity from the company, body, association or employer is liable under Part I.

10. The principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or company, shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

(a) the name of every person who is receiving at the date of the return any salary, annuity or pension, or has received during the year ending on that date any gratuity, from the authority, company, body or association, as the case may be, and the address of every such person so far as it is known; and

(b) the amount of the salary, annuity, pension or gratuity so received by each such person, and the time at which the same becomes payable or, in the case of a gratuity, was paid.

B.—Profits of Companies.

11. The principal officer in British India of every company shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, a statement in writing signed by him of the nett profits made in British India by the company, during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of the nett profits so made during the year ending on the said thirty-first day of March.

12. (1) If the Collector has reason to believe that a statement delivered under section 11 is incorrect or incomplete, he may cause to be served on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced, for the inspection of the Collector such of the accounts of the company as refer to the year to which the statement relates and as are in his possession or power.

(2) On the day specified in the notice, or as soon afterwards as may be, the Collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II, and the time when the amount shall be paid, and, subject to the provisions of this Act, that amount shall be payable accordingly.

C.—Interest on Securities.

13. (1) The tax payable under Part III in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2) If that person does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

14. The Collector shall, from time to time, determine what persons are chargeable under Part IV, and the amount at which every person so chargeable shall be assessed.

15. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then upon the income accruing to him during the year ending on the said thirty-first day of March.

(2) In the case of a person for the first time becoming chargeable under Part IV within the year for which the assessment is to be made, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the Collector, having regard to the circumstances, directs.

16. (1) The Collector shall in each year prepare a list of the persons chargeable under Part IV whose annual income does not, in his opinion, amount to two thousand rupees.

(2) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely:—

(a) his name, and the source or sources of the income in respect of which he is chargeable;

(b) the year or portion of the year for which the tax is to be paid;

- (c) the place or places, district or districts, where the income accrues ;
- (d) the amount to be paid ; and
- (e) the place where, and the person to whom, the amount is to be paid.

(3) The list shall be filed in the office of the Collector, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4) The list so filed shall be open to inspection at all reasonable times without any payment.

(5) The list, or such part or parts thereof as the Collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6) The list to be prepared in each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

17. In the case of a person chargeable under Part IV whose annual income is, in the Collector's opinion, two thousand rupees or upwards, the Collector shall cause a notice to be served on him stating the particulars (a) to (e), both inclusive, mentioned in section 16, sub-section (2), and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

18. (1) Notwithstanding anything contained in section 16 or section 17, the Local Government may make rules—

- (a) authorising or directing a Collector in specified cases, or classes of cases, to include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice, and to serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list ;
- (b) authorising the Collector in any specified town or place to cause a general notice to be published, inviting every person chargeable under Part IV to deliver or cause to be delivered to the

Collector, within a time specified in the notice, a return, in a prescribed form published with the notice, of his income during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of his income during the year ending on the said thirty-first day of March;

- (c) authorising the Collector in any presidency-town to cause a special notice to be served on any person chargeable under Part IV, inviting him to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form accompanying the notice, of his income computed in the manner described in clause (b) of this sub-section.

(2) A return delivered under rules made under clause (b) or clause (c) of sub-section (1) must state the period during which the income has actually accrued; and there must be added at the foot thereof a declaration that the income shown in the return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.

(3) When a Collector authorised in that behalf by rules made under clause (b) or clause (c) of sub-section (1) has caused a notice to be published or served under those rules, he shall not include any person to whom the notice applies in any list made under section 16 or serve a notice on him under section 17 until the time specified in the notice published or served under those rules has expired.

(4) Rules made under this section shall be published in the official Gazette.

19. Every amount specified as payable in a list or notice prepared or served under section 16 or section 17 shall be paid within the time, at the place, and to the person, mentioned in the list or notice.

Time and place of payment.

Trustees, Agents, Managers and Incapacitated Persons.

20. A person being the trustee, guardian, curator or committee of any infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of the infant, married woman, lunatic or idiot, whether the infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant,

Trustees, guardians and committees of incapacitated persons to be charged.

married woman, lunatic or idiot is chargeable under Part IV, be chargeable under that Part in like manner and to the same amount as the infant would be chargeable if he were of full age, or the married woman if she were sole, or the lunatic or idiot if he were capable of acting for himself.

21. Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

Non-residents to be charged in names of their agents.

22. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators General of Bengal, Madras and Bombay, and the Official Trustees shall be chargeable under Part IV in respect of all income officially in their possession or under their control which is liable to assessment under that Part.

Receivers, managers, Court of Wards, Administrators General and Official Trustees.

23. When a trustee, guardian, curator, committee or agent is, as such, assessed under Part IV, or when a receiver or manager appointed as aforesaid, a Court of Wards, an Administrator General or an Official Trustee is assessed under that Part in respect of income officially received,

Power to retain duties charged on trustees, &c.

the person or Court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee or agent, or as receiver, manager, Court of Wards, Administrator General or Official Trustee, retain so much as is sufficient to pay the amount of the assessment.

Occupying Owners.

24. (1) Where a building is occupied by its owner, it shall be deemed a source of income within the meaning of this Act, and, if liable to be assessed under this Act, shall be assessed at five-sixths of the gross annual rent at which it may reasonably be expected to let, and, in the case of a dwelling-house, may be expected to let unfurnished.

Provision for tax on occupying owners.

(2) "Owner", as used in this section with reference to a building, means the person who would be entitled to receive the rent of the building if the building were let to a tenant.

CHAPTER IV.

REVISION OF ASSESSMENT.

25. (1) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV may apply by petition to the Collector to have the assessment reduced or cancelled.

Petition to Collector against assessment under Part IV.

(2) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under section 16, or in the notice served under section 17, as the case may be. But the Collector may receive a petition after the expiration of that period if he is satisfied that the objector had sufficient cause for not presenting it within that period.

(3) The petition shall, as nearly as circumstances admit, be in the form contained in the third schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

26. The Collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon as he thinks fit.

Hearing of petition.

27. Subject to the control of the Local Government, the Commissioner of the Division, on the petition of any person deeming himself aggrieved by an order under section 12, sub-section (2), or section 26 shall, if the amount of the assessment to which the petition relates is two hundred and fifty rupees or upwards, and may in his discretion if the amount of the assessment is less than two hundred and fifty rupees, call for the record of the case, and pass such order thereon as he thinks fit.

Petition to Commissioner for revision.

28. The Collector or Commissioner may, for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed, summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents, by the same means, and, as far as possible, in the same manner, as is provided in the case of a Civil Court by the Code of Civil Procedure:

Power to summon witnesses, &c.

Provided that the Collector or Commissioner shall not call for any evidence except at the instance of the petitioner or in order to ascertain the correctness of facts alleged by him.

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

29. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

Tax when payable.

30. (1) In any case of default under this Act the Collector, in his discretion, may recover a sum not exceeding double the amount of the tax either as if it were an arrear of land-revenue or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which he is subordinate, or may pass an order that a sum not exceeding double that amount shall be recovered from the defaulter:

Mode and time of recovery.

Provided that, where a person has presented a petition under section 25, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2) The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under sub-section (1) for the recovery of the tax chargeable under this Act.

(3) An order passed by the Collector under sub-section (1) shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and the order may be enforced in manner provided by the Code of Civil Procedure for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters, namely:—

- (a) sales in execution of decrees,
- (b) arrest in execution of decrees for money,
- (c) execution of decrees by imprisonment,
- (d) claims to attached property, and
- (e) execution of decrees out of the jurisdiction of the Courts by which they were passed,

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be exercised and discharged by the Collector

by whom the order has been made or to whom a copy thereof has been sent for execution according to the provisions of the said Code, sections 223 and 224.

(4) The Local Government may direct, with respect to any specified area, that the tax chargeable under this Act shall be recovered therein with, and as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

(5) No proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable.

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Composition.

31. (1) If a company or person desires to compound for the tax assessable under Part II or Part IV, as the case may be, the Collector may, subject to such rules as may be prescribed in this behalf, agree with the company or person for a composition of the tax on such terms and for such period as he thinks fit.

(2) The agreement shall provide for the payment, in each year of the period comprised in the agreement, of the amount of the composition; and that amount shall be recoverable in the same manner and by the same means as any other assessment made under Part II or Part IV, as the case may be.

Receipts.

32. When any money is paid under this Act to the Collector or is recovered thereunder by him, he shall give a receipt for the same, specifying—

- (a) the date of the payment or recovery of the money;
- (b) the amount paid or recovered;
- (c) the person who was liable to the tax, and the source or sources of income in respect of which the tax was payable;
- (d) the year or part of the year for which the tax was payable;
- (e) the place or places, district or districts, where the income accrues; and
- (f) such other particulars, if any, as may be prescribed.

Amendment of Assessment.

33. If a company or person assessed under Part II or Part IV ceases to carry on the trade or business in respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person or its or his representative in interest may apply to the Collector during or within three months after the end of the year, and the Collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require, and refund such sum, if any, as has been overpaid.

Amendment of assessment.

Penalties.

Failure to make payments or deliver returns or statements.

34. (1) If a person fails—

(a) to deduct and pay any tax as required by section 8, sub-section (1), or section 13, sub-section (1), or

(b) to deliver or cause to be delivered to the Collector in due time the return or statement mentioned in section 10 or section 11, or

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 12, such accounts as are referred to in the notice,

he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

35. If a person makes a statement in a declaration mentioned in section 18, sub-section (2), which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have committed the offence described in section 177 of the Indian Penal Code.

False statement in declaration.

36. A person shall not be proceeded against for an offence under section 34 or section 35, except at the instance of the Collector.

Prosecution to be at instance of Collector.

37. Any proceeding under section 12 or Chapter IV of this Act shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

Sections 193 and 228 of Penal Code to apply to proceedings.

Power to make Rules.

38. (1) The Governor General in Council may make rules consistent with this Act for ascertaining and determining income liable to assessment, for preventing the disclosure of particulars contained in documents delivered or produced with respect to assessment under Part IV, and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code.

(3) But a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(4) Rules made under this section shall be published in the official Gazette.

Miscellaneous.

39. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

40. All or any of the powers and duties conferred and imposed by this Act on a Collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

41. An officer or person exercising all or any of the powers of a Collector under this Act may, by notice, require any person to furnish a list, in the prescribed form, containing, to the best of his belief,—

(a) the name of every inmate or lodger resident in any house used by him as a dwelling-house or let by him in lodgings;

(b) the name of every other person receiving salary or emoluments amounting to forty-one rupees ten annas and eight pies per mensem, or five hundred rupees per annum, or upwards, employed in his service, whether resident in any such house as aforesaid or not; and

(c) the place of residence of such of those persons as are not resident in any such house, and of any inmate or lodger in any such house who has

a place of residence elsewhere at which he is liable under this Act to be assessed, and who desires to be assessed at that place.

42. An officer or person exercising all or any of the powers aforesaid may, by notice, require any person whom he has reason to believe to be a trustee, guardian, curator, committee or agent to deliver or cause to be delivered a statement of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

Trustees and agents to furnish information as to beneficiaries and principals.

43. An officer or person exercising all or any of the said powers may, by notice, require a trustee, guardian, curator, committee or agent, or a receiver or manager appointed by any Court in India, or a Court of Wards, Administrator General or Official Trustee, to furnish such returns of income liable to assessment under Part IV as may be prescribed.

Trustees, &c., to furnish information as to income.

44. An officer or person exercising all or any of the said powers may, at the instance of any person respecting whose assessment or the amount thereof any doubt exists, require any person to furnish such information as he deems to be necessary for the purpose of ascertaining facts relevant to the assessment or its amount.

Obligation to furnish other information.

45. A person required to furnish any information under section 41, section 42, section 43 or section 44 shall be legally bound to furnish the same in such manner and within such time as may be specified in the requisition for the information.

Sections 176 and 177 of Penal Code to apply to requisitions for information.

46. (1) A notice under this Act may be served on the person therein named either by a prepaid letter addressed to the person and registered under Part III of the Indian Post Office Act, 1866, or by the delivery or tender to him of a copy of the notice.

Service of notices.

(2) If a notice is served by registered letter, it shall be presumed to have been served at the time when the letter would be delivered in the ordinary course of post, and proof that the letter was properly addressed and put into the post shall be sufficient to raise the presumption that the notice was duly served at that time.

(3) If the notice is to be served otherwise than by registered letter, the service shall, whenever it may be practicable, be on the person named in the notice, or, in the case of a firm, on some member thereof, or, in the case of a Hindu undivided family, on the manager of the joint estate of the family:

(4) But when the person, member or manager cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving-officer shall fix the copy of the notice on the outer door of the house in which the person, firm or family therein named ordinarily resides or carries on business.

47. (1) When a company or firm has several places of business in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

Power to declare principal place of business or residence.

(2) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3) When a person has several places of residence in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(4) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5) The powers given by this section may be delegated to, and exercised by, such officers as the Governor General in Council or the Local Government, as the case may be, appoints in this behalf.

48. Where a person is in respect of any period liable to the tax under this Act he shall not in respect of that period be assessed to the pándhari-tax levied in the Central Provinces under Act XIV of 1867, or to the capitation-tax, or the land-rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

Saving in favour of payers of pándhari and capitation taxes.

49. Every person deducting, retaining or paying any tax in pursuance of this Act or of any arrangement under section 9, sub-section (2), in respect of income belonging to another person, is hereby indemnified for the deduction, retention or payment thereof.

Indemnity.

Powers exercisable from time to time.

50. All powers conferred by, or conferable under, this Act may be exercised from time to time as occasion requires.

THE INDIAN INCOME-TAX ACT.

THE FIRST SCHEDULE.

ENACTMENTS REPEALED.

(See section 2.)

ACTS OF THE GOVERNOR GENERAL IN COUNCIL.

Number and year.	Short title.	Extent of repeal.
Act No. II of 1878 .	The Northern India License Act, 1878.	So much as has not been repealed.
Act No. VI of 1880 .	The Indian License Acts Amendment Act, 1880.	The whole.

ACTS OF THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

Number and year.	Short title.	Extent of repeal.
Act No. III of 1878 .	The Madras License Act, 1878 .	So much as has not been repealed.
Act No. III of 1880 .	An Act to amend Madras Act III of 1878 as amended by Act VI of 1880.	The whole.

ACT OF THE GOVERNOR OF BOMBAY IN COUNCIL.

Number and year.	Short title.	Extent of repeal.
Act No. III of 1878 .	The Bombay License Act, 1878 .	So much as has not been repealed.

ACT OF THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

Number and year.	Short title.	Extent of repeal.
Act No. II of 1880 .	The Bengal License Act, 1880 .	The whole.

THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
SOURCE OF INCOME.	Rate of Tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to or on behalf of any person residing in British India or serving on board a ship plying to or from British India ports, whether on account of himself or another person.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.

(a) If the income amounts to Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, or upwards—five pies in the rupee.

(b) If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem,—four pies in the rupee.

PART II.

PROFITS OF COMPANIES.

Profits of a company

Five pies in the rupee on the whole of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the nett profits so made during the year ending on the said thirty-first day of March,

FIRST COLUMN.	SECOND COLUMN.
SOURCE OF INCOME.	Rate of Tax.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1886, and payable in British India, on—

(a) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or

(b) bonds or debentures charged by the Imperial Parliament on the revenues of India, or

(c) debentures or other securities for money issued by or on behalf of a local authority or company.

Five pies in the rupee on such interest, unless the owner of the security produces a certificate signed by the Collector that his annual income from all sources is less than Rs. 500, in which case no deduction shall be made from the interest, or unless he produces a like certificate that his income from all sources is less than Rs. 2,000, in which case the rate shall be four pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this schedule.

(a) If the annual income is assessed at—			
not less than Rs.	500	but less than Rs.	750 the tax shall be Rs.
"	"	750	" 15
"	"	1,000	" 20
"	"	1,250	" 28
"	"	1,500	" 35
"	"	1,750	" 42

(b) If the annual income is assessed at Rs. 2,000 or upwards—five pies in the rupee on the income.

THE THIRD SCHEDULE.

FORM OF PETITION.

(Sec section 25.)

TO THE COLLECTOR OF

The

day of

188

The petition of A. B. of

SHEWETH as follows—

1.—Under Act No. II of 1886, your petitioner has been assessed in the sum of rupees for the year commencing the first day of April, 188

2.—Your petitioner's income and profits accruing and arising from [*here specify petitioner's trade or other source or sources of income or profits, and the place or places at which such income or profits accrues or arise*] for the year ending the day of last were rupees [as will appear from the documents of which a list is presented herewith.*]

3.—Such income and profits actually accrued and arose during a period of months and day [*here state the exact number of months and days in which the income and profits accrued and arose*].

4.—During the said year your petitioner had no other income or profits.

Your petitioner therefore prays that he may be assessed accordingly [*or that he may be declared not to be chargeable under the said Act*].

(Signed) A. B.

Form of Verification.

I, A. B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A. B.

* *These words are to be inserted if the petitioner relies on documents. The list, if the petitioner so wishes, may be presented in a sealed envelope.*

ACT No. IV OF 1914

Year	Act No.	Short Title	Amendments
1886.	II	The Indian Income-Act, 1886.	<p><i>Add a new section, namely:—</i></p> <p>50A. The Local Government may, by notification in the local official Gazette, delegate all or any of the powers conferred on by section 16(5), 18(1), (a), (b), (c), 30(2), (4), 38(3) and 40 to the Chief Revenue-authority by which expression is meant the Board of Revenue or the Financial Commissioner in those provinces where these authorities exist and in any other case such authority as the Local Government may declare to be the Chief Revenue authority.</p>

ACT No. V OF 1916

CONTENTS

SECTIONS.

1. Short title and commencement.
 2. Amendment of section 4, Act II of 1886.
 3. Amendment of section 5, Act II of 1886.
 4. Amendment of section 31, Act II of 1886.
 5. Amendment of section 33, Act II of 1886.
 6. Amendment of section 38, Act II of 1886.
 7. Insertion of New Section XXXIX-A in Act II of 1886.
Limitation of claims for refund.
 8. Substitution of New Second Schedule to Act II of 1886.
 9. Repeal of sub-section (iii) and (iv) of Section II of Act XI of 1903.
-

ACT No. V OF 1916

An Act further to amend the Indian Income-tax Act, 1886.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886;

It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1916.

(2) It shall come into force on the first day of April 1916.

Amendment of section 4, Act II of 1886.

2. In section 4 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), for the figures "1886" the figures "1916" shall be substituted.

Amendment of section 5, Act II of 1886.

3. In section 5, clause (j) of the said Act, after the word "any" the words "company or" shall be inserted.

Amendment of section 31, Act II of 1886.

4. To section 31 of the said Act, the following sub-section shall be added, namely:—

"(3) Any agreement made in accordance with the provisions of this section shall be determined, as regards any tax not already due thereunder, by any change, subsequent to the making of such agreement, in the rates at which the tax is assessable under Part II or Part IV, as the case may be, with effect from the date on which such change comes into force."

Amendment of section 33, Act II of 1886.

5. In section 33 of the said Act, the words "during or within three months after the end of the year" are hereby repealed.

Amendment of section 38, Act II of 1886.

6. In sub-section (1) of section 38 of the said Act, after the word and numeral "Part IV" the following shall be inserted, namely, "for prescribing the procedure to be followed on applications for refund of the tax chargeable under this Act".

Insertion of new section 39A in the Act II of 1886.

7. After section 39 of the said Act, the following section shall be inserted, namely:—

Limitation of claims for refund.

"39A. No claim for refund of tax under this Act shall be allowed, unless it is made within one year from the end of the year to which the claim relates."

Substitution of new
Second Schedule to Act
II of 1886.

8. For the Second Schedule to the said Act, the following Schedule shall be substituted namely:—

THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(See Section 4.)

FIRST COLUMN.	SECOND COLUMN.
Sources of Income.	Rate of Tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to, or on behalf of, any person residing in British India or serving on Board a ship plying to or from British Indian ports whether on account of himself or another person.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with His Majesty.

- (a) If the income amounts Rs. 1,000 per annum, or Rs. 83-5-4 per mensem, but is less than Rs. 2,000 per annum or Rs. 166-10-8 per mensem—four pies in the rupee.
- (b) If the income amounts to Rs. 2,000 per annum or Rs. 166-10-8 per mensem, but is less than Rs. 5,000 per annum or Rs. 416-10-8 per mensem—five pies in the rupee.
- (c) If the income amounts to Rs. 5,000 per annum or Rs. 416-10-8 per mensem, but is less than Rs. 10,000 per annum or Rs. 833-5-4 per mensem—six pies in the rupee.
- (d) If the income amounts to Rs. 10,000 per annum or Rs. 833-5-4 per mensem, but is less than Rs. 25,000 per annum or Rs. 2,083-5-4 per mensem—nine pies in the rupee.
- (e) If the income amounts to Rs. 25,000 per annum or Rs. 2,083-5-4 per mensem or upwards—one anna in the rupee.

PART II.

PROFITS OF COMPANIES.

Profits of a company

One anna in the rupee on the whole of the net profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of net profits so made during the year ending on the said thirty-first day of March :

FIRST COLUMN.	SECOND COLUMN.												
Sources of Income.	Rate of Tax.												
Profits of a company . . .	<p>Provided that a shareholder in the company who satisfied the Collector that his annual income from all sources in the income-tax year last preceding that in which his share of such profits was received, was less than any one, as the case may be, of the amounts tabulated below, shall be entitled to a refund, calculated on any dividend paid him by the company in regard to the profits made during the period mentioned in the first clause at the rates specified against each amount, namely:—</p> <table> <tr> <th>Amount.</th><th>Refund.</th></tr> <tr> <td>1. Less than Rs. 1,000 . . .</td><td>One anna in the rupee.</td></tr> <tr> <td>2. Rs. 1,000 or upwards but less than Rs. 2,000.</td><td>Eight pies in the rupee.</td></tr> <tr> <td>3. Rs. 2,000 or upwards but less than Rs. 5,000.</td><td>Seven pies in the rupee.</td></tr> <tr> <td>4. Rs. 5,000 or upwards but less than Rs. 10,000.</td><td>Six pies in the rupee.</td></tr> <tr> <td>5. Rs. 10,000 or upwards but less than Rs. 25,000</td><td>Three pies in the rupee.</td></tr> </table>	Amount.	Refund.	1. Less than Rs. 1,000 . . .	One anna in the rupee.	2. Rs. 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.	3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.	4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.	5. Rs. 10,000 or upwards but less than Rs. 25,000	Three pies in the rupee.
Amount.	Refund.												
1. Less than Rs. 1,000 . . .	One anna in the rupee.												
2. Rs. 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.												
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.												
4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.												
5. Rs. 10,000 or upwards but less than Rs. 25,000	Three pies in the rupee.												

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1916, and payable in British India, on—

- (a) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or
- (b) debentures or other securities for money issued by or on behalf of a local authority or company.

One anna in the rupee on such interest :
 Provided that, if the owner of the security satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which the interest is paid was less than any one, as the case may be, of the amounts tabulated below, he shall be entitled to a refund, calculated on any such interest, at the rates specified against each such amount, namely:—

Amount.	Refund.
1. Less than Rs. 1,000 . . .	One anna in the rupee.
2. Rs. 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.
4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.
5. Rs. 10,000 or upwards but less than Rs. 25,000	Three pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this Schedule.

- (a) If the annual income is assessed at—
 not less than Rs. 1,000 but less than Rs. 1,250,
 the tax shall be Rs. 20;
 not less than Rs. 1,250 but less than Rs. 1,500,
 the tax shall be Rs. 28;
 not less than Rs. 1,500 but less than Rs. 1,750,
 the tax shall be Rs. 35;

THE INDIAN INCOME-TAX ACT

FIRST COLUMN.	SECOND COLUMN.
Sources of Income.	Rate of Tax.
Any source of income not included in Part I, Part II or Part III of this Schedule.	<p>not less than Rs. 1,750 but less than Rs. 2,000, the tax shall be Rs. 42;</p> <p>(b) If the annual income is assessed at Rs. 2,000, or upwards but is less than Rs. 5,000—five pies in the rupee.</p> <p>(c) If the annual income is assessed at Rs. 5,000 or upwards but is less than Rs. 10,000—six pies in the rupee.</p> <p>(d) If the annual income is assessed at Rs. 10,000 or upwards but is less than Rs. 25,000—nine pies in the rupee.</p> <p>(e) If the annual income is assessed at Rs. 25,000 or upwards—one anna in the rupee."</p>

Repeal of sub-sections (3) and (4) of section 2 of Act XI of 1903.

9. Sub-sections (3) and (4) of section 2 of the Indian Income-tax (Amendment) Act, 1903, are hereby repealed.

ACT No. VII OF 1917

(Received the assent of the Governor-General on the 7th March 1917.)

An Act further to amend the Indian Income-tax Act, 1886.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886;

It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Income-tax (Amendment) Act, 1917.

Insertion of new section 14A in Act II of 1886. 2. After section 14 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), the following section shall be inserted, namely:—

“14A. (1) In the case of any person whose income is, in the Collector’s opinion, not less than one thousand rupees, the Collector may cause a notice to be served upon him requiring him to furnish within such period as may be specified in the notice a return in the prescribed form setting forth (along with such other particulars as may be provided for in the notice) the income accruing to such person during the year ending on the day on which his accounts have been last made up or, if his accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then the income accruing to him during the year ending on the said 31st day of March.

(2) A person making a return required by sub-section (1) shall add at the foot thereof a declaration that the income shown in the return is truly estimated on each of the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.”

New section 18 substituted in Act II of 1886. 3. For section 18 of the said Act, the following section shall be substituted, namely:—

“18. The Collector may include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice and may serve a notice

Power to modify ordinary procedure.

under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list."

4. In section 25 (1) of the said Act after the words "under Part IV
Amendment of section 25 of Act II of 1886. may," the following shall be inserted, namely:—

"unless he has knowingly and wilfully failed to comply with the requirements of any notice served upon him under section 14A."

5. After clause (c) of sub-section (1) of section 34 of the said Act,
Amendment of section 34 of Act II of 1886. the following shall be inserted, namely:—

"(d) to furnish within the specified period a return required of him under section 14A."

6. In section 35 of the said Act, for the words and figures "mentioned
Amendment of section 35 of Act II of 1886. in section 18, sub-section (2)" the words and figures "required under section 14A, sub-section (2)" shall be substituted.

7. In section 50A of the said Act the letters and
Amendment of section 50A of Act II of 1886. figures "18 (1) (a), (b), (c)" are hereby repealed.

ACT No. VIII OF 1917

(Received the assent of the Governor-General on the 7th March 1917.)

An Act to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886.

WHEREAS it is expedient to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Super-tax Act, 1917;

(2) It extends to the whole of British India, and applies also within the dominions of Princes and States in India in alliance with His Majesty to British subjects in those dominions who are in the service of the Government of India, or of a local authority established in the exercise of the powers conferred on the Governor-General in Council in that behalf; and

(3) It shall come into force on the first day of April 1917.

Definitions.

2. (1) In this Act, unless there is anything repugnant in the subject or context,—

“prescribed” means prescribed by rules made under this Act:

“previous year” means the year ending on the 31st day of March in the year immediately preceding that in which the assessment is to be made, or, if the accounts of a person or company have been made up in the year immediately preceding that in which the assessment is to be made, then, at the option of such person or company, the year ending on the day on which his or its accounts have been so made up:

Provided that, if this option has once been exercised by a person or company, it shall not again be exercised so as to vary the meaning of the expression “previous year” as then applicable to such person or company, except with the consent of the Collector and upon such conditions as he may think fit.

“principal Act” means the Indian Income-tax Act, 1886;

“super-tax” means a tax imposed by this Act:

“taxable income” means so much of the total income of any person or company as is in excess of rupees fifty thousand;

"total income" means the income accruing in the previous year from all sources except—

- (a) from the sources specified in section 5 (1) (a), (b), (c), (e), (g) and (h) of the principal Act; and
- (b) in the case of a Hindu undivided family, so much of the joint income of such family as has been actually expended or paid for the maintenance or other expenses of any member of such family or paid or finally allotted to any such member;
- (c) in the case of a firm, so much of the income of the firm as has been paid or finally allotted to any of the members of the firm; and
- (d) in the case of a company, so much of the income of the company as has been paid or declared for payment by way of dividends or otherwise to any of its members:

Provided that nothing in clause (b), (c) or (d) of this definition shall be deemed to exempt from super-tax any income therein referred to when received by any member of such family, firm or company.

(2) Words and expressions used in this Act and defined in the principal Act and not hereinbefore defined shall be deemed to have the meanings respectively attributed to them by that Act.

3. In addition to the tax imposed by section 4 of the principal Act, there shall be charged and recovered and paid in the year beginning with the 1st day of April 1917, and in each subsequent year to the credit of the Government of India, or as the Governor-General in Council may direct, by every person subject to this Act and by every company, a super-tax upon the taxable income of such person or company computed at the rate specified in the schedule.

Incomes liable to super-tax and rate thereof.

4. The Collector shall, from time to time, determine what persons and companies are chargeable with the super-tax, and the amount at which every person chargeable shall be assessed:

Collector to determine persons chargeable.

Provided that, in determining the amount at which a Hindu undivided family, firm or company shall be assessed, the Collector shall allow a deduction from the taxable income of such family, firm or company, of one-tenth of the income from all sources liable to taxation under the principal Act, of such family, firm or company.

5. (1) In the case of a person or company whose total income is in the Collector's opinion of an amount chargeable with super-tax, the Collector instead of or in addition to the notice referred to in section 14A of the principal Act, may cause notice to be served upon him or it requiring him or it to furnish, within such period as may be specified in the notice, a return in the prescribed form with a declaration annexed thereto to the same effect as that required to be annexed to a return under the said section, setting forth the total income in the previous year of such person or company, and such further particulars as may be provided for by such form.

(2) Every notice issued under sub-section (1), and every return and declaration required by such notice shall be deemed respectively to be a notice issued and a return and declaration required under section 14A of the principal Act, and the provisions of sections 34, 35 and 36 of that Act shall apply accordingly.

(3) Where a return is furnished in accordance with the terms of a notice under this section or under section 14A of the principal Act, the assessment to be made by the Collector shall be made after considering such return. If no such return is furnished, such assessment shall be made after such inquiries as the Collector thinks fit have been carried out.

6. In the case of a person or company who, in the Collector's opinion, is chargeable with super-tax, the Collector shall cause a notice to be served on him or it stating the following particulars, namely:—

Notice to persons chargeable with super-tax.

- (a) his or its name and the source or sources of the income in respect of which he or it is chargeable;
- (b) the year or portion of the year for which the tax is to be paid;
- (c) the place or places, district or districts where the income accrues;
- (d) the amount to be paid; and
- (e) the places where and the person to whom the amount is to be paid, and requiring him or it to pay within sixty days from the date specified in the notice the amount stated therein as payable by him or it, or to apply to the Collector within thirty days from that date to have the assessment reduced or cancelled:

Provided that, if in accordance with any rules made under this Act super-tax is payable in any case by instalments, the notice shall specify the date on which each instalment falls due, and shall require him or it to pay such instalment within the prescribed period from that date, or to apply

as aforesaid to the Collector within thirty days of the date on which the first instalment falls due.

7. Every amount specified as payable in a notice served under section 6 shall be paid within the time, at the place and to the person mentioned in the notice.

Time and place of payment.

Application of provisions of Act II of 1886.

8. Subject to the provisions of this Act—

(a) the provisions of sections 20 to 24 of the principal Act shall apply in the case of super-tax as if that tax were income-tax chargeable under Part IV of the principal Act;

(b) the provisions of chapter IV of the principal Act shall apply to the revision of assessment to super-tax as if that tax were income-tax chargeable under Part IV of the principal Act:

Provided that the time within which the petition referred to in section 25 (2) of the principal Act shall ordinarily be presented shall be the period specified in the notice served under section 6 of this Act, and that the form of the petition shall be modified in such manner as may be necessary to adapt it for the purposes of this Act; and

(c) the provisions of chapter V of the principal Act and of sections 32, 37 and 39 to 50A of the principal Act shall, as far as may be, apply, in regard to the matters mentioned therein, in the case of super-tax as if that tax were income-tax chargeable under the Principal Act.

9. (1) The Governor-General in Council may make rules consistent with this Act for ascertaining and determining the taxable income of any person or company, thereunder, for preventing disclosure of particulars contained in documents delivered or produced with respect to such assessment, for prescribing the procedure that is to be followed on applications for refund of super-tax, for providing for the payment of that tax by instalments, and generally for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

Rule-making power.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor-General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code;

Provided that a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(3) Rules made under this section shall be published in the official Gazette.

SCHEDULE.

In respect—

- | | |
|---|------------------------------------|
| (1) of the first fifty thousand rupees of taxable income; | One anna in the rupee. |
| (2) of the next fifty thousand rupees of taxable income; | One and a half annas in the rupee. |
| (3) of the next fifty thousand rupees of taxable income; | Two annas in the rupee; |
| (4) of the next fifty thousand rupees of taxable income; | Two and a half annas in the rupee. |
| (5) of all taxable income over two lakhs of rupees. | Three annas in the rupee. |
-

ACT No. VII OF 1918.

EXTRACT FROM STATEMENT OF OBJECTS AND REASONS.

The present Bill, which practically recasts the whole of the Indian Income-tax Act, 1886 (II of 1886), has a three-fold purpose. In the first place, it remedies certain inequalities in the assessment of individual tax-payers under the existing law, which have become especially apparent since a graduated scale of the tax was introduced by Act V of 1916. Secondly, it defines more precisely than the existing Act the methods whereby income and profits of various descriptions are to be calculated for income-tax purposes, so removing a defect which has led to some lack of uniformity in the assessing standards of different provinces. And, lastly, it effects a number of improvements in the machinery of assessment which experience has shown to be essential for the efficient and equitable working of the tax.

2. The recent introduction of graduated rates of income-tax makes it necessary to abandon the system of assessing the tax separately on the different sources of income falling under the four parts of the second schedule to Act II of 1886, since with this system an assessee deriving his income from more than one source may be called on to pay appreciably less than a person of equal taxable capacity who possesses one source of income alone. One of the main objects of the present Bill is accordingly to bring together all sources of an assessee's income for the purpose of determining the rate at which he shall be assessed on each part of it. This object is effected by clause 14 and schedule I of the present Bill, which provide that the rate at which the tax shall be assessed on all income which under the provisions of the Act is chargeable to the tax (called taxable income) shall be determined by the total income, enjoyed by the assessee, to which the Act applies.

3. A distinction is drawn by the provisions in Chapter I and Schedule I of the Bill between "total income" which determines the rate at which the tax is levied, and "taxable income" which determines the amount on which the tax is levied. *The rate at which the tax is levied* on an assessee will be determined by his total income accruing, arising or received in British India (or deemed to do so under the Bill) after omitting therefrom the receipts specified in clause 3 (2) and deducting the allowances mentioned in clauses 8, 9 (2), 10 (2), and 11 (2) of the Bill; and also omitting under

clause 4 of the Bill, the expenses incurred in earning agricultural income including any land revenue payment, and the first thousand rupees of net agricultural income, in calculating *the amount on which the tax is levied* these reductions will also be made; but an assessee will further be entitled to subtract from the residual amount—

- (i) Any salary which fulfils the conditions of clause 6 (1) (i) of the Bill.
- (ii) Any sums which he has spent on the purchase of an annuity or for similar insurance purposes, provided they fulfil the conditions laid down in clauses 6 (1) (ii) and 12 (2) of the Bill.
- (iii) Under the proviso to clause 7 of the Bill, any interest which he has received from a security of the Government of India issued or declared to be income-tax free.
- (iv) Under clause 12 (1) of the Bill any interest which he has received as a member of a company, or of a firm of undivided Hindu family, where the tax has been paid, or is payable, by the company, firm, or family.
- (v) Agricultural income.

4. Of these items of abatement only that relating to agricultural income calls for any special comment.

As has already been explained in paragraph 1 above, the Bill is a Bill to improve the machinery of assessment, and to remove existing inequalities in the burdens which the tax lays on individual assesseees except in so far as improved methods of assessment will result in a higher revenue, the Bill is not designed, either by altering the rates of the tax or otherwise, to raise money, and for this reason it retains the existing exemption from the tax of agricultural incomes. But with the present system of income-tax graduation, under which an assessee's rate of assessment increases in accordance with his means, it is obviously equitable that in assessing the rate on which a person should pay on his non-agricultural income his income from agriculture should be taken into account: otherwise, a wealthy landlord possessed also of some non-agricultural income might pay on the latter at rates intended only for the poor. Accordingly, the Bill provides for the inclusion of net agricultural income in "total income": but as a concession, more particularly to persons of small means, clause 4 lays down that the first thousand rupees of net agricultural income shall not be taken into account in determining either the rate of the tax or the amount on which it will be levied.

5. The income determining the assessment, both as regards the rate and amount of the tax, will, under clause 14 of the Bill read with the

definition of "year of assessment" in clause 2, be that actually accruing in the twelve months preceding the financial year for which the assessment is made, or at the assessee's option, any period of twelve months for which his accounts have been made up ending within the year preceding that financial year. Under the existing Act the tax chargeable on account of "salaries" and "interest on securities" is deducted at the time of payment of the salary or interest by the officer responsible for making the payment, and this procedure will be continued. But such deductions will, under clause 15 of the Bill, be treated merely as payments in advance on account of the assessment to be made in the following year; and, if it is found that any deduction has been effected at a rate which is not that applicable to the assessee's total income, an adjustment will be made at that assessment. In addition, the existing procedure for obtaining refunds of income-tax deducted from interest on securities is retained by clause 36 of the Bill.

6. Under the existing Act it is not incumbent on a Collector to obtain from any assessee a return of his income, and where the income is estimated at less than two thousand rupees, the assessee is not ordinarily served with a personal notice of assessment. The result is that many persons have no opportunity of representing the amount of their incomes before an *ex parte* assessment has been made on them, and they have to seek recourse to a petition to the Collector, if they consider their assessment inequitable. Now that the rates of taxation have been enhanced, it is desirable, in the interests both of assesseees and of Government, that Collectors should obtain returns of income in all cases before they make an assessment, and should also, if they doubt the correctness of any return, call such evidence as may be necessary to test it before coming to their decision. Clause 17 of the Bill accordingly provides for the service by the Collector of a notice on every person whom he proposes to assess to income-tax, requiring him to furnish a return of his income; and clause 18 enables the Collector to call upon an assessee to produce evidence of the correctness of his return. In addition, clause 18 empowers the Collector to utilise any evidence bearing on the assessment which he may obtain of his own motion, while under clauses 26 and 27 he can enforce the attendance of any person, including the assessee, for this purpose and compel the production of the information that he requires. Clause 21 requires personal notices of assessment to be sent to all assesseees.

7. Assessments conducted in this manner should be made with much greater certitude than hitherto and it becomes unnecessary to retain the procedure, whereby a person objecting to his assessment by the Collector petitions the Collector against it: all evidence now produced before the Collector in objection proceedings will, under the provisions of the Bill, be available to him at the earlier stage when the assessment is being framed. A petition against an assessment finally made by the Collector will, there-

fore, under clause 22 of the Bill, lie only to the Commissioner, but such petitions will, subject to the conditions of that clause, be allowed universally and will not, as at present, be confined (subject to the Commissioner's discretion) to cases in which the tax assessed is Rs. 250 or upwards.

8. Section 31 of the existing Act, providing that an assessee may compound for the tax over a series of years has been omitted. Compositions already made will not be affected and Collectors will be empowered, either by rule or executive order, to make similar arrangements in future subject to such conditions as it may be thought fit to lay down.

9. Our colleagues Mr. Sita Nath Ray, Sir G. M. Chitnaviz and Sardar Sundar Singh Majithia object to the principle of clause 4 by which agricultural income is taken into consideration for the purpose of determining the rate on other chargeable income. They have recorded their views in a separate minute, but as far as the rest of the Committee is concerned, we are clearly of opinion that such an arrangement is a necessity if graduated income-tax is to be collected on an equitable basis. It seems to us quite unjustifiable that a person whose net agricultural income is 10 lakhs, and whose income from business is Rs. 1,000 should pay on the Rs. 1,000 at the rate of 4 pies, while a trader whose sole income is Rs. 25,000 from trade will pay on that income at the one anna rate. We have, however, decided to recommend that income-tax should not be levied unless the taxable income of an assessee by itself amounts to Rs. 1,000 or over, and have provided for this by a small amendment in clause 4 (1) and by an alteration in Schedule I to the Bill. We have also provided that, in determining the basis on which net agricultural income shall be arrived at, the basis provided by the law of the province for the purposes of a cess on land shall, where such a provision exists, be followed, the matter in cases where no such provision exists being left to be dealt with by rules.

10. It has been urged that income-tax should not be levied on subscriptions by employees to Provident Funds, and that a fresh clause dealing with this matter should be added to the provisions of clause 6 (1) of the Bill, but we consider that this is a matter that should be dealt with under clause 12 (2) where we have made an amendment covering the case of such Provident Funds are duly constituted under or recognised by the law. We have amended the provisions of clause 6 (2) so as to bring all servants of the Crown, whether British subjects or not, within the purview of this clause, as it seems to us unnecessary to give to persons who are not British subjects specially favourable treatment which is not accorded to British subjects.

11. We have accepted the view that the allowance for vacant house-property should be left to the unfettered discretion of the Collector, and

have amended clause 8 accordingly. The inclusion of local rates and municipal taxes among the permissible allowances has also been much pressed upon us, and, recognising that they form a legitimate business expense, we have permitted an allowance for them in clause 9 (2) (viii). We are unable, however, to agree that these rates and taxes should be deducted from the income from house-property, since in that case they partake of the nature of personal expenses of the owner.

12. We have considered at great length the provisions of clause 9 which is a very important clause. We have accepted the view that provision should be made for depreciation of the furniture, etc., in the case of hotels and similar property, and this we have effected by separating in the Bill plant from machinery. The word "plant" has a wide meaning, and if so separated will cover all reasonable cases of this kind.

It has been suggested that, in the interests of uniformity, the percentage for depreciation under clause 9 (2) (vi) should be fixed by the Governor-General in Council. We do not think that this is feasible for practical reasons but, in order to ensure uniformity where uniformity is either possible or desirable, we have required such percentages to be fixed "subject to the approval of the Governor-General in Council."

The Bill referred to us limited the depreciation allowance claimable in a subsequent year where in a previous year the full allowance had not been claimed to twice the maximum annual allowance. We have omitted this limitation and amended clause 9 (2) (vi), proviso (b) accordingly.

We have inserted a new provision to meet the question of obsolescence. This will be found in clause 9 (2) (vii), and will enable an allowance to be claimed in the circumstances stated therein in respect of machinery or plant sold or discarded as obsolete.

13. To meet representations made on behalf of the commercial community, we have abandoned the system previously embodied in the Bill, and have provided that the tax shall be levied in each year in respect of the taxable income of that year, the assessment being made in the first place on the basis of the previous year's income, while there will be a subsequent adjustment under the new clause 19 of the Bill, when the actual income of the year becomes known. At this subsequent adjustment all questions of over or under payment on account of income under the heads "salaries" and interest on "securities", due to the deduction of income-tax from these sources of income at the time of payment when the rate of the tax applicable cannot be known, will be settled if they have not been settled previously. We have re-cast clause 14 accordingly and inserted a new clause 19 to provide for the system we propose should be adopted.

In view of the representations which have been placed before us, we have come to the conclusion that partners in a firm where there is a definite partnership deed specifying the shares of the partners should be placed in the same position in regard to refunds as shareholders in a company; consequently the income-tax on such firms must be levied in the first instance at the maximum rate. We have amended the proviso to clause 14 with this object.

14. We find that two grounds of objection have been taken to the provisions of clause 17 which makes a return by the assessee compulsory in all cases. On the one hand, it is urged that on administrative grounds the service of the notice which this procedure necessitates will involve a great burden in the case of small incomes which will not be compensated for by any additional advantage to the revenue. Sir John Campbell in this connection drew our attention to the fact that in the United Provinces there are 42,000 assesseees to income-tax, of whom 26,000 are persons with incomes below Rs. 2,000. On the other hand, it is argued that the preparation of a return by the poorer assesseees who are often illiterate will be a serious harassment which they would gladly avoid. We have devised a summary procedure in their case which can be resorted to as an optional procedure which, we hope, will meet both of these objections. The provisions we suggest in this connection appear as Chapter III of the Bill annexed to the Report.

15. As we have previously explained, the new clause 19 provides for the adjustment procedure on the actual income received. We have added two provisos to this clause, the first of which makes it clear that the adjustment procedure provided by the clause does not relate back to transactions prior to the commencement of the Act, while the second provides a procedure for the immediate adjustment of income-tax in any year in the circumstances mentioned in that proviso.

16. We have substituted the "Chief Revenue-authority" for the "Commissioner" as the authority to exercise the power of revision conferred by clause 23 as we think it only reasonable that this power should be exercised by the highest Revenue-authority who is under clause 51 the authority empowered to state a case to the High Court.

17. We have provided that when a penal assessment is imposed under clause 24 no prosecution shall be instituted on the same facts, as it is not desirable that there should be room for a possible conflict between the revenue and judicial authorities for which this provision as it stands gives opportunity, and moreover it is not unreasonable that a double punishment should be provided against. No doubt in more serious cases a prosecution would be launched but the Revenue-authorities should in our opinion be put to their election.

18. Objection has been taken to the power given by clause 27 (2) of the Bill referred to us on the ground that the duty which might be imposed thereunder would be burdensome to the company with no corresponding advantage to the administration. We think that there is undoubted force in this contention, and that all reasonable requirements will be met by providing that the share register of the company shall be open to the inspection of the Income-tax authorities, and we have provided this power in the new clause 29.

19. We have re-drawn existing clause 26 so as to provide definite power for the issue of commissions, and have taken the opportunity of incorporating in our new clause (see clause 27 of the Bill annexed to this Report) the provisions of clause 42 of the Bill referred to us, as we think that they find a very suitable place in this clause.

20. The application of the English rule embodied in clause 29 of the Bill referred to us regarding married women has excited the opposition of our Indian colleagues, and Colonel Aplin has pointed out to us that it is not suitable to Burmese conditions. We do not think that there is any justification in maintaining it as a special rule in the case of married women subject to English law, and we have, in these circumstances deleted the clause. The result will be that married women will be separately assessable in respect of their own incomes.

21. We have added a proviso to clause 33 (now clause 34) requiring the Collector to give an opportunity to any person to be heard before such person can be treated as an agent under the provisions of that clause.

22. We have altered the proviso to clause 34 (now clause 35) to allow the question whether an appellant is to be treated as in default or not to be determined by the discretion of the Collector.

23. We have amended clause 36 (now clause 37) to give effect to the decision that partners in firms constituted under registered deeds of partnership specifying the individual shares of the partners should be entitled to the same refunds as are admissible to shareholders in companies.

24. In the rule-making power, clause 43, we have inserted a definite power to make rules as to composition of assessment, and to meet the views of some of our body, we have required rules for the determination of net agricultural income to be made after previous publication.

25. We have discussed at considerable length the provisions of clause 52, now clause 51. There is a considerable body of feeling that an assessee should have a right to have a reference made to a High Court on a point of law as long as it is left to the Chief Revenue-authority to prevent

unnecessary or frivolous points being taken, and we have amended the clause to provide for this.

On the other hand, we can see no reason why such references should not be disposed of by the highest Civil Court of appeal of the province, and we have accordingly amended sub-clause (1) and allowed the definition of "High Court" provided by the General Clauses Act (X of 1897) to operate. Again, we think it unnecessary to make it a statutory requirement that such references should be heard in all cases by a bench of three judges as we think that this is a matter pre-eminently to be left to the discretion of the eminent judicial authority concerned especially in view of the dislocation of ordinary business which such a provision must often cause. We have, therefore, omitted sub-clause (2) of this clause. We think that in a case when an assessee insists on a reference under this clause the Court should have power to order costs in its discretion, and we have so provided accordingly.

ACT No. VII OF 1918.

[PASSED BY THE INDIAN LEGISLATIVE COUNCIL.]

(Received the assent of the Governor-General on the 19th March 1918.)

An Act to consolidate and amend the law relating to Income-tax.

WHEREAS it is expedient to consolidate and amend the law relating to Income-tax; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Indian Income-tax Act, 1918.

(2) It extends to the whole of British India, including the Sonthal Parganas, and applies also within the dominions of Princes and Chiefs in India in alliance with His Majesty to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, and to all other servants of His Majesty in those dominions; and

(3) It shall come into force on the first day of April, 1918.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) “Agricultural income” means—

(a) Any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land-revenue or subject to a local rate assessed and collected by officers of Government as such;

(b) Any income derived from—

(i) agriculture, or

(ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or

(iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, when he does not keep a shop or stall for the sale of such produce, or

- (iv) any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (a), or occupied by the cultivator, or the receiver of rent-in-kind, of any land with respect to which or the produce of which any operation mentioned in sub-clauses (ii) and (iii) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection with the land, requires as a dwelling-house, or as a store-house or other out-building;

(2) "Assessee" means a person by whom income-tax is payable, and includes a firm and a Hindu undivided family;

(3) "Business" includes any trade, commerce, or manufacture or any adventure or concern in the nature of trade, commerce or manufacture;

(4) "Chief Revenue-authority" means the Board of Revenue or the Financial Commissioner in Provinces where those authorities exist, and in any other case such authority as the Local Government may declare to be the Chief Revenue-authority for the purposes of this Act;

(5) "Collector" includes any officer whom the Local Government may appoint to exercise or perform all or any of the powers or duties conferred by this Act on a Collector, and means in relation to any assessee carrying on business, the Collector of the place where the principal place of business of such assessee is situate, and in relation to any other assessee the Collector of the place where such assessee resides;

(6) "Commissioner" includes any officer whom the Local Government may appoint to exercise or perform all or any of the powers or duties conferred by this Act on a Commissioner;

(7) "Company" means a company as defined in the Indian Companies Act, 1913, or formed in pursuance of an Act of Parliament or of Royal Charter or Letters Patent, or of an Act of the legislature of a British possession, and includes any foreign association carrying on business in British India, whether incorporated or not, and whether its principal place of business is situate in British India or not, which the Governor-General in Council may, by general or special order, declare to be a company for the purposes of this Act;

(8) "Local authority" includes any person legally entitled to the control or management of any municipal or local fund;

(9) "Magistrate" means a Presidency Magistrate or a Magistrate of the first class, or a Magistrate of the second class specially empowered by the Local Government to try offences against this Act;

(10) "Prescribed" means prescribed by rules made under this Act;

(11) "Previous year" means the twelve months ending on the 31st day of March next preceding the year for which the assessment is to be made, or, if the accounts of the assessee have been made up within the said twelve months in respect of a year ending on any date other than the said 31st day of March, then at the option of the assessee the year ending on the day on which his accounts have so been made up:

Provided that, if this option has once been exercised by the assessee, it shall not again be exercised so as to vary the meaning of the expression "previous year" as then applicable to such assessee, except with the consent of the Collector and upon such conditions as he may think fit;

(12) "Principal officer", used with reference to a local authority or a company or any other public body or association not being a local authority or company, means—

- (a) the secretary, treasurer, manager or agent of the authority, company, body or association, or
- (b) any person connected with the authority, company, body or association upon whom the Collector has served a notice of his intention of treating him as the principal officer thereof; and

(13) "Total income" means total income from all sources to which this Act applies.

CHAPTER I.

TAXABLE INCOME.

3. (1) Save as hereinafter provided, this Act shall apply to all income from whatever source it is derived if it accrues or arises or is received in British India, or is, under the provisions of this Act, deemed to accrue or arise or to be received in British India.

(2) This Act shall not apply to the following classes of income:—

- (i) Any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes, and in the case of property so held in part only for such purposes, the income applied, or finally set apart for application, thereto.

- (ii) Any income of a religious or charitable institution derived from voluntary contributions and applicable solely to religious or charitable purposes.
- (iii) The income of local authorities.
- (iv) Interest on securities which are held by, or are the property of, any Provident Fund to which the Provident Funds Act, 1897, applies, or any Provident Insurance Society to which the Provident Insurance Societies Act, 1912, is or but for an exemption under that Act, would be applicable.
- (v) Any capital sum received in commutation of the whole or a portion of a pension, or in the nature of consolidated compensation for death or injuries, or in payment of any insurance policy, or as the accumulated balance at the credit of a subscriber to any such Provident Fund.
- (vi) Any special allowance, benefit or perquisite specifically granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit.
- (vii) Legacies.
- (viii) Any receipts not being receipts arising from business or the exercise of a profession, vocation, or occupation, which are of a casual and non-recurring nature or are not by way of addition to the remuneration of an employee.
- (ix) Any perquisite or benefit which is neither money nor reasonably capable of being converted into money.

In this sub-section "charitable purpose" includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility.

Agricultural income. 4. Agricultural income shall not be chargeable to income-tax.

5. Save as otherwise provided by this Act, the following classes of income shall be chargeable to income-tax in the manner hereinafter appearing, namely—

Classes of income chargeable to income-tax.

- (i) Salaries.
- (ii) Interest on securities.
- (iii) Income derived from house property.
- (iv) Income derived from business.
- (v) Professional earnings.
- (vi) Income derived from other sources.

6. (1) The tax shall be payable by an assessee under the head "Salaries" in respect of any salary or wages, any annuity, pension or gratuity, and any fees, commissions, perquisites or profits received by him in lieu of, or in addition to, any salary or wages, which are paid by or on behalf of Government, a local authority, a company, or any other public body or association not being a local authority or company, or by or on behalf of any private employer where such employer has entered into an agreement with the Collector in accordance with the prescribed conditions to recover the tax on behalf of Government, provided that the tax shall not be payable in respect of—

- (i) any salary not exceeding five hundred rupees per mensem received by any member of His Majesty's Forces, or of His Majesty's Indian Forces, as the pay of an appointment which is ordinarily reserved exclusively for members of those Forces; or
- (ii) any sum deducted under the authority of Government from the salary of any individual for the purpose of securing to him a deferred annuity or of making provision for his wife or children, provided that the sum so deducted shall not exceed one-sixth of the salary.

(2) Any income which would be chargeable under this head if paid in British India shall be deemed to be so chargeable if paid to a British subject or any servant of His Majesty in any part of India by Government or by a local authority established by the Governor-General in Council.

7. The tax shall be payable by an assessee under the head "Interest on securities" in respect of the interest receivable by him on any security of the Government of India, or on debentures or other securities for money issued by or on behalf of a local authority of a company:

Provided that no tax shall be payable on the interest receivable on any security of the Government of India issued or declared to be income-tax free.

8. The tax shall be payable by an assessee under the head "Income derived from house property" in respect of the *bonâ fide* annual value of any house property of which he is the owner, subject to the following allowances, namely:—

- (i) where the property is in the occupation of the owner, or where it is let to a tenant and the owner has undertaken to bear the costs of repairs, a sum equal to one-sixth of such value;

- (ii) where the property is in the occupation of a tenant who has undertaken to bear the cost of repairs, the difference between such value and the rent paid by the tenant up to but not exceeding one-sixth of such value;
- (iii) the amount of any annual premium paid to insure the property against risk of damage or destruction;
- (iv) where the property is subject to a mortgage or charge or to a ground rent, the amount of any interest on such mortgage or charge or of any such ground rent;
- (v) any sums paid on account of land-revenue in respect of the property;
- (vi) in respect of collection charges, a sum not exceeding the prescribed maximum;
- (vii) in respect of vacancies, such sum as the Collector may determine having regard to the circumstances of the case.

For the purposes of this section and section 9 the expression "annual value" shall be deemed to mean the sum for which the property might reasonably be expected to let from year to year:

Provided that, where house property is in the occupation of the owner, such sum shall for the purposes of this section, be deemed not to exceed ten per cent of the aggregate income of the owner.

9. (1) The tax shall be payable by an assessee under the head "Income derived from business" in respect of the profits of any business carried on by him.

(2) Such profits shall be computed after making the following allowances, in respect of sums paid, or, in the case of depreciation, debited, namely:—

- (i) any rent paid for the premises in which such business is carried on, or where the premises are owned by the assessee the *bonâ fide* annual value thereof, provided that when any substantial part of the premises is used as a dwelling-house by the assessee, the allowance under this clause shall be such sum as the Collector may determine having regard to the proportional part so used;
- (ii) in respect of repairs, where the assessee is the tenant only of the premises, and has undertaken to bear the cost of such repairs, the amount actually expended thereon, provided that if any substantial part of the premises is used by the assessee as a dwelling-house, a proportional part only of such amount shall be allowed;

- (iii) in respect of capital borrowed for the purposes of the business, where the payment of interest thereon is not in any way dependent on the earning of profits, the amount of the interest paid;
- (iv) in respect of insurance against risk of damage or destruction of buildings, machinery or plant, used for the purposes of the business, the amount of any premium paid;
- (v) in respect of current repairs to buildings, machinery or plant, the amount actually expended thereon;
- (vi) in respect of depreciation of such buildings, machinery or plant being the property of the assessee, a sum not exceeding a percentage on the original cost thereof to the assessee to be fixed, subject to the approval of the Governor-General in Council, by the Local Government for different classes of buildings, machinery or plant having regard to the estimated life thereof, in determining which it shall be assumed that current repairs are executed from time to time:

Provided that—

- (a) no such allowance shall be made unless the amount claimed has actually been debited in the ordinary accounts of the business for the previous year and the prescribed particulars have been duly furnished;
- (b) when in any year the full allowance admissible has not been claimed, the balance may be added to the allowance made for the following year or years;
- (c) the aggregate of the allowances made under this sub-head either under this Act or any Act repealed thereby shall, in no case, exceed the original cost to the assessee of the buildings, machinery or plant as the case may be;
- (vii) in respect of any machinery or plant which has been sold or discarded as obsolete, the difference between the original cost to the assessee of the machinery or plant as reduced by the aggregate of the allowance made in respect of depreciation under clause (vi), and the amount for which the machinery or plant is actually sold or its scrap value;
- (viii) any sums paid on account of land-revenue, local rates or municipal taxes in respect of the premises;
- (ix) in respect of any expenditure (not being in the nature of capital expenditure,) incurred solely for the purpose of earning such profits.

10. (1) The tax shall be payable by an assessee under the head "Professional earnings", in respect of the profits of any profession, or vocation, followed by him.

(2) Such profits shall be computed after making allowance for any expenditure (not being in the nature of capital expenditure) incurred solely for the purpose of such profession or vocation, provided that no allowance shall be made on account of any personal expenses of the assessee.

(3) Professional fees paid in any part of India to a person ordinarily resident in British India shall be deemed to be income chargeable under this head.

11. (1) The tax shall be payable by an assessee under the head "Income derived from other sources", in respect of income and profits of every kind and from every source to which this Act applies (if not included under any of the preceding heads) with the exception of agricultural income.

(2) Such income and profits shall be computed after making allowance for any expenditure (not being in the nature of capital expenditure) incurred solely for the purpose of making such income or earning such profits, provided that no allowance shall be made on account of any personal expenses of the assessee.

12. (1) In computing the amount of the income chargeable to income-tax in the case of an assessee under any of the foregoing heads, no account shall be taken of any income which the assessee enjoys as a member of a company or of a firm or of an undivided Hindu family where the company, the firm or the family is liable to the tax.

(2) There shall also be excluded from the computation any sum paid by the assessee to effect an insurance on his own life or on the life of his wife or in respect of a contract for a deferred annuity on his own life or on the life of his wife or as a contribution to any provident fund to which the Provident Funds Act, 1897, applies or to any provident fund which complies with the provisions of the Provident Insurance Societies Act, 1912, or has been exempted from the provisions of that Act:

Provided that the aggregate of any sums so excluded shall not, after taking into account any exemptions allowed in respect of like provision under the head "Salaries" exceed one-sixth of the income of the assessee which would, apart from such exclusion and exemption, be chargeable to income-tax.

13. In computing the total income of an assessee for the purposes of Schedule I, salaries and deductions exempted under the proviso to section 6 (1), income mentioned in section 12 (1), and sums excluded under section 12 (2) shall be taken into account.

Treatment of exemptions and exclusions in determining total income.

14. (1) The aggregate amount of an assessee's income chargeable under each of the heads mentioned in sections 6 to 11 shall be the taxable income of the assessee.

Taxable income and levy of tax thereon.

(2) Subject to the conditions hereinbefore set out, there shall be levied in respect of the year beginning with the first day of April 1918, and in respect of each subsequent year, by collection in that year and subsequent adjustment as hereinafter provided income-tax upon every assessee in respect of his taxable income in that year at the rate specified in Schedule I:

Provided that, where the assessee is a company or a firm constituted under a registered instrument or partnership specifying the individual shares of the partners and the taxable income of such company or firm is one thousand rupees per annum or upwards, income-tax shall be levied at the maximum rate specified in Schedule I.

CHAPTER II.

DEDUCTIONS AND ASSESSMENT.

15. (1) Income-tax shall, unless otherwise prescribed in the case of any security of the Government of India, be deducted at the time of payment in respect of income chargeable under the following heads:—

Payment.

- (i) "Salaries"; and
- (ii) "Interest on securities."

(2) An employer or other person responsible for paying any income chargeable under the head "Salaries" shall, at the time of payment, deduct income-tax on the amount payable at the rate specified in Schedule I in respect of such amount, provided that, if the payment is a recurring one and in respect of any period less than a year, the rate shall be determined with reference to the amount which would be proportionately payable in a year. The deduction so made shall be treated as a payment of income-tax on behalf of the person from whose earnings the deduction was made, and credit shall be given to him therefor in the next adjustment under section 19.

(3) The person responsible for paying any income chargeable under the head "Interest on securities" shall, at the time of payment, deduct income-

tax on the amount of the interest payable at the maximum rate specified in Schedule I. The deduction so made shall be treated as payment of income-tax on behalf of the owner of the security, and credit shall be given to him therefor in the next adjustment under section 19:

Provided that, if the owner of the security obtains a refund of any portion of the tax so deducted in accordance with the provisions of this Act, no credit shall be given for the amount of such refund.

(4) All sums deducted in accordance with the provisions of sub-section (2) or (3) shall be paid within the prescribed time by the person making the deduction to the credit of the Government of India, or as the Governor General in Council directs.

(5) If any such person does not deduct and pay the tax as required by this section, he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(6) The power to deduct under this section shall be without prejudice to any other mode of recovery.

(7) In the case of income chargeable under any other head than those above mentioned, the tax shall be payable by the assessee direct, and shall be the amount assessed under this Act subject to such adjustment as aforesaid.

16. The prescribed person in the case of every Government office, and the principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or company, and every private employer who has agreed to recover income-tax on behalf of Government shall prepare, and within fifteen days from the 31st day of March in each year, deliver or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

- (a) the name and, so far as it is known, the address of every person who was receiving on the said 31st day of March, or has received during the year ending on that date, from the authority, company, body, association or private employer, as the case may be, any income chargeable under the head "Salaries" of such amount as may be prescribed not being less than six hundred rupees per annum;
- (b) the amount of the income so received by each such person, and the time or times at which the same was paid;
- (c) the amount deducted in respect of income-tax from each such person.

17. (1) The principal officer of every company shall prepare, and, on or before the fifteenth day of June in each year, **Return by assessee.** deliver or cause to be delivered to the Collector a return in the prescribed form and verified in the prescribed manner of the total income of the company during the previous year:

Provided that the Collector may, in his discretion, extend the date for the delivery of the return in the case of any company or class of companies.

(2) In the case of any person other than a company whose taxable income is, in the Collector's opinion, not less than two thousand rupees, the Collector shall serve a notice upon him requiring him to furnish within such period as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner setting forth (along with such other particulars as may be provided for in the notice) his total income during the previous year.

(3) In the case of any person other than a company whose taxable income is, in the Collector's opinion, one thousand rupees or upwards, but less than two thousand rupees, the Collector may, if he thinks fit, serve upon him a notice in accordance with the provisions of sub-section (2), but, if he does not do so, shall proceed in the manner hereinafter provided in Chapter III for the summary assessment of such incomes.

18. (1) If the Collector is satisfied that a return made under section 17 is correct and complete, he shall assess the sum **Assessment.** payable by the assessee for the year in which the return is made on the basis of such return.

(2) If the Collector has reason to believe that a return made under section 17 is incorrect or incomplete, he shall serve on the person who made the return a notice requiring him, on a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced for the inspection of the Collector, such accounts and documents as the Collector may require and any evidence on which the assessee may rely in support of the return.

(3) On the day specified in the notice, or as soon afterwards as may be, the Collector, after examining such accounts and documents, and hearing any evidence which the assessee may produce and such other evidence as the Collector may require, shall, by an order in writing, determine the total income of the assessee for the previous year, and assess the sum payable by the assessee for the year in which the return is made on the basis of such determination.

(4) If the principal officer of any company or any other person fails to make a return under section 17 (1), (2) or (3), as the case may be, or having made a return, fails to attend or fails to comply substantially with

all the terms of a notice issued under section 18, sub-section (2), the Collector shall make the assessment to the best of his judgment.

(5) The sum to be assessed in every case shall be a sum calculated on the aggregate of the assessee's income in the previous year chargeable under each of the heads mentioned in sections 8 to 11 at the rate applicable to his total income in that year.

19. When the Collector has, in any year after the commencement of this Act for which income-tax is leviable under section 14 (2), ascertained, either from the return made by an assessee or after further inquiry, the total income actually received by or accrued to the assessee in the previous year, he shall compute the income-tax which would have been payable in respect thereof if it had been levied in such previous year with reference to the amount of the income so ascertained and the law then in force; and the difference between the sum so computed and the aggregate of the sums already paid by or on behalf of the assessee in respect of income-tax for such previous year, shall be paid by or refunded to the assessee, as the case may be:

Provided that no adjustment shall be made under the section in respect of any income-tax assessed or paid before the passing of this Act:

Provided also that it shall be competent to—

- (a) an assessee; or
- (b) in the case of the death or insolvency of an assessee, his representative in interest; or
- (c) with reference to any year for which income-tax is leviable under section 14 (2), the Collector;

in any year to claim an immediate adjustment to date of the sums already paid by or on behalf of an assessee in that year, upon the basis of the total income actually received by or accrued to him in that year; and upon such claim being made, all the provisions of this Chapter shall apply, so far as may be necessary, for the determination of the proper sum to be paid by or refunded to the assessee or his representative in interest in respect of income-tax down to the date of such determination, and the same shall be paid or refunded accordingly.

20. When the Collector has determined a sum to be payable by an assessee under either section 18 or section 19, he shall serve on the assessee a notice of demand in the prescribed form specifying the sum so payable.

21. (1) Any assessee objecting to the amount or rate at which he is assessed under section 18 or to an adjustment made under section 19, or denying his liability to be assessed under this Act may, unless he or, in the case of a company, the principal officer thereof, has knowingly and wilfully failed to make a return under section 17, or substantially to comply with all the terms of a notice served on him under section 18, apply by petition to the Commissioner for relief against any order of the Collector in respect of such assessment or adjustment.

(2) The petition shall ordinarily be presented within thirty days of receipt of the notice of demand; but the Commissioner may receive a petition after the expiration of that period, if he is satisfied that the objector had sufficient cause for not presenting it within that period.

(3) The petition shall be in the prescribed form and verified in the prescribed manner.

22. The Commissioner shall fix a day and place for the hearing of the petition, and on the day and at the place, so fixed or on the day at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon, whether by way of confirmation, reduction, enhancement or cancellation, of the assessment, or adjustment or otherwise and fixing such time for payment, as he thinks fit.

23. The Chief Revenue-authority may, of its own motion, call for the record of any assessment proceeding which has been taken by any officer subordinate to it, and make such inquiry and pass such orders thereon as it thinks fit:

Provided that it shall not pass any order enhancing the sum payable by an assessee without hearing him or giving him a reasonable opportunity of being heard either in person or by pleader.

24. If the Collector or the Commissioner in making any assessment or adjustment under this Chapter is satisfied that the assessee has concealed the particulars of his income, or has deliberately furnished inaccurate particulars of such income, and has thereby returned it below its real amount, the Collector or the Commissioner may direct that the assessee shall pay difference between his income as finally ascertained and the amount originally returned by him income-tax at a rate not exceeding double the rate which would otherwise have been payable:

Provided that no such order shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard:

Provided further that no prosecution for an offence against this Act shall be instituted in respect of the same facts on which a penal assessment is made under this section.

25. If for any reason income chargeable under this Act has escaped assessment in any year, or has been assessed at too low a rate, the Collector may, at any time in the year next following, assess or re-assess such income, and all the provisions of this Act shall apply accordingly.

26. The Collector may, at any time within one year from the date of any demand upon an assessee, rectify any mistake in connection therewith which has been brought to his notice by such assessee, and make a refund to such assessee in respect thereof.

27. The Collector or Commissioner shall, for the purposes of any inquiry under this Chapter, have the same powers as are vested in a Court under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters:—

- (a) enforcing the attendance of any person and examining him on oath or affirmation;
 - (b) compelling the production of documents;
 - (c) issuing commissions for the examination of witness;
- and any proceeding before a Collector or Commissioner under this Chapter shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

28. The Collector or Commissioner may, for the purposes of this Act,—

- (1) require any person to furnish a return, in the prescribed form, containing to the best of his belief, the name and address of every person employed in his service who is receiving in virtue of such employment any income not chargeable under the head "Salaries", of such amount as may be prescribed, not being less than six hundred rupees per annum;
- (2) require any firm or Hindu undivided family to furnish him with a return of the partners in the firm, or the adult male members of the family, as the case may be, and of their addresses;
- (3) require any person whom he has reason to believe to be a trustee, guardian, or agent to furnish him with a return of the

names of the persons for or of whom he is trustee, guardian, or agent, and of their addresses.

29. The Collector or Commissioner or any person authorised in writing in this behalf by the Collector or Commissioner may inspect and, if necessary, take copies or cause copies to be taken of the register of members of any company or of any entry in such register.

CHAPTER III.

SUMMARY ASSESSMENT.

30. (1) In the case of persons whose taxable income is, in the Collector's opinion, one thousand rupees or upwards, but less than two thousand rupees, the Collector shall, save in cases in which he has served a notice under section 17 (3), make a summary assessment on the income of such persons to the best of his judgment.

(2) Notice of such summary assessment and of the amount of the tax payable thereunder and of the time and the place at which, and the person to whom, such tax is to be paid shall be given either by local publication in the prescribed manner of a list of such assessments, or in such other way as may be prescribed:

Provided that due publicity shall be given to the assessee's right to apply to the Collector in the manner provided for in the next sub-section within the prescribed period, and that reasonable notice shall be given of the place at which, and the person from whom, the assessee can obtain a form of return should he wish to submit one.

(3) Any assessee in respect of whom a summary assessment has been made under this section may, within the prescribed period, apply to the Collector for the cancellation or revision of the assessment, and the Collector shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Collector may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final:

Provided that, if the person making the application files therewith a return of his income in the prescribed form and verified in the prescribed manner, the application shall be deemed to be a return under section 17, and shall be dealt with accordingly.

CHAPTER IV.

LIABILITY IN 'SPECIAL CASES.

31. In the case of any guardian, trustee or agent of any person being a minor, lunatic or idiot or residing out of British India (all of which persons are hereinafter in this section included in the term beneficiary) being in receipt on behalf of such beneficiary of any income chargeable under this Act, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same amount as it would be leviable upon and recoverable from any such beneficiary if of full age, sound mind, or resident in British India, and in direct receipt of such income, and all the provisions of this Act shall apply accordingly.

32. In the case of income chargeable under this Act which is received by the Courts of Wards, the Administrators-General, the Official Trustees or by any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court, the tax shall be levied upon and recoverable from such Court of Wards, Administrator-General, Official Trustee, receiver or manager in the like manner and to the same amount as it would be leviable upon and recoverable from any person on whose behalf such income is received, and all the provisions of this Act shall apply accordingly.

33. (1) In the case of any person residing out of British India, all profits or gains accruing or arising to such person, whether directly or indirectly, through or from any business connection in British India, shall be deemed to be income accruing or arising within British India, and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be for all the purposes of this Act the assessee in respect of such income-tax:

Provided that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person which are, or may at any time come, within British India.

(2) Where a person not resident in British India, and not being a British subject or a firm or company constituted within His Majesty's dominions or a branch thereof, carries on business with a person resident in British India, and it appears to the Collector or the Commissioner, as the case may be, that owing to the close connection between the resident and the non-resident person and to the substantial control exercised by the non-resident over the resident, the course of business between those persons is so arranged, that the business done by the resident in pursuance of his connection with the non-resident produces to the resident either no profits

or less than the ordinary profits which might be expected to arise in that business, the profits derived therefrom or which may reasonably be deemed to have been derived therefrom, shall be chargeable to income-tax in the name of the resident person who shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax.

34. Any person employed by or on behalf of a person residing out of British India, or having any business connection with such person, upon whom the Collector has caused a notice to be served of his intention of treating him as the agent of the non-resident person shall, for the purposes of this Act, be deemed to be such agent:

Agent to include persons treated as such.
Provided that no person shall be deemed to be the agent of a non-resident person, unless he has had an opportunity of being heard by the Collector as to his liability.

CHAPTER V.

RECOVERY OF TAX.

35. The amount of income-tax specified as payable in a notice of demand under section 20 or an order under section 22, or section 23 or section 24, or in a notice or order under section 30, shall be paid within the time, at the place and to the person mentioned in the notice or order, or if a time is not so mentioned, then on or before the first day of the second month following the date of the notice or order, and any assessee failing so to pay shall be deemed to be in default, provided that when an assessee has presented a petition under section 21, the Collector may in his discretion treat the assessee as not being in default as long as such petition is undisposed of.

36. (1) When an assessee is in default in making a payment of income-tax, the Collector, in his discretion, may recover from him a sum not exceeding double the amount of the tax, either as if it were an arrear of land-revenue, or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which the Collector is subordinate.

(2) If any assessee is in receipt of any income chargeable under the head "Salaries", the Collector may require any person paying the same to deduct from any payment subsequent to the date of such requisition any sum recoverable under sub-section (1), and such person shall comply with

any such requisition and shall pay the sums so deducted to the credit of the Government of India, or as the Governor General in Council directs.

(3) The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under sub-section (1) for the recovery of income-tax.

(4) The Local Government may direct, with respect to any specified area that income-tax shall be recovered therein, with, and as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

(5) Save in accordance with the provisions of section 33 (1), no proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of one year from the last day of the year in which any demand is made under this Act.

CHAPTER VI.

REFUNDS TO SHAREHOLDERS AND OTHERS.

Refund to individual
shareholders, partners
and owners of securities.

37. If—

- (a) a shareholder in a company who has received any dividend from the company; or
- (b) a partner in a firm on which income-tax has been levied at the maximum rate, in accordance with the proviso to section 14, who has received a share of the profits of the firm; or
- (c) the owner of a security from the interest on which income-tax has been deducted in accordance with the provisions of section 15;

satisfies the Collector that his total income in the previous year was less than any one, as the case may be, of the amounts specified in Schedule II, he shall be entitled to a refund of a sum calculated on such dividend, share of profits or interest at the rates specified in the same Schedule against each such amount.

38. No claim to any refund under section 37 shall be allowed, unless
Limitation of claims for refund. it is made within one year from the last day of the year to which the claim relates.

CHAPTER VII.

OFFENCES AND PENALTIES.

Failure to make payments or deliver returns or statements or allow inspection.

39. If a person fails without reasonable cause or excuse—

- (a) to deduct and pay any tax as required by section 15 or under section 36 (2) ;
- (b) to deliver or cause to be delivered to the Collector in due time any of the returns mentioned in section 16, section 17, or section 28;
- (c) to grant inspection or allow copies to be taken in accordance with the provisions of section 29;
- (d) to attend or to produce, or cause to be produced, on or before the date mentioned in a notice under section 18, such accounts and documents as are referred to in the notice;

he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

40. If a person makes a statement in a verification mentioned in section 17 or section 21 (3) which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be deemed to have committed the offence described in section 177 of the Indian Penal Code.

False statement in declaration.

XLV of 1800.

41. (1) A person shall not be proceeded against for an offence under section 39 or section 40, except at the instance of the Collector.

Prosecution to be at instance of Collector.

(2) The Collector may stay any such proceeding or compound any such offence.

42. All particulars contained in any statement or return made or furnished under the provisions of this Act shall be treated as confidential, and if a public servant discloses any particulars contained in any statement or return made or furnished under this Act, he shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine:

Disclosure of information by public servant.

Provided that no prosecution shall be instituted under this section, except with the previous sanction of the Local Government.

CHAPTER VIII.

MISCELLANEOUS.

43. (1) The Governor General in Council may make rules for carrying out the purposes of this Act and for the ascertainment and determination of any class of income, and may, subject to such restrictions and conditions as he may impose, delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) Without prejudice to the generality of the foregoing power, such rules may—

- (a) when income is derived in part from agriculture and in part from business, prescribe the manner, whether with reference to a class or in particular cases by which the taxable income shall be arrived at;
- (b) prescribe the manner in which, and the procedure by which, the taxable income of Insurance Companies shall be arrived at;
- (c) prescribe the manner in which, and the procedure by which, the taxable income of persons not resident in British India or of persons deemed to be assesses in respect thereof, shall be arrived at;
- (d) provide for a system of composition of assessments and prescribe the conditions under which the Collector may enter into composition with assesses as to their assessment;
- (e) prescribe the procedure to be followed on applications for refunds;
- (f) provide for any matter which by this Act is to be prescribed.

(3) Rules made under this section shall be published in the *Gazette of India* or the local official gazette, as the case may be, and shall thereupon have effect as if enacted in this Act.

44. The Governor General in Council may, by notification in the *Gazette of India*, make an exemption, reduction in rate or other modification, in respect of income-tax in favour of any class of income, or in regard to the whole or any part of the income of any class of persons.

45. When any money is paid under this Act to the Collector, or is recovered thereunder by him, he shall give a receipt for the same, specifying the prescribed particulars.

46. A notice or requisition under this Act may be served on the person therein named, either by post, or by the delivery or tender to him of a copy of the notice or requisition in the manner provided by the Code of Civil Procedure, 1908, for the service of summons.

Service of notice.
V of 1908.

47. (1) When an assessee has several places of business in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his principal place of business.

Power to declare principal places of business.

(2) When an assessee has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be his principal place of business.

(3) The powers given by this section may be delegated to, and exercised by, such officers as the Governor General in Council or the Local Government, as the case may be, may appoint in this behalf.

48. Every person deducting, retaining or paying any tax in pursuance of this Act in respect of income belonging to another person is hereby indemnified for the deduction, retention or payment thereof.

Indemnity.

49. All powers conferred by, or conferable under, this Act may be exercised from time to time as occasion requires.

Powers exercisable from time to time.

50. The Local Government may, by notification in the local official gazette, delegate to the Chief Revenue-authority all or any of the powers conferred on it by this Act for the appointment of officers to exercise or perform the powers or duties of Collectors or Commissioners and all or any of the powers conferred on it by section 36 and the proviso to section 42.

Delegation of certain powers of Local Government.

51. (1) If, in the course of any assessment under this Act or any proceeding in connection therewith other than a proceeding under Chapter VII, a question has arisen with reference to the interpretation of any of the provisions of this Act or of any rule thereunder, the Chief Revenue-authority may, either on its own motion or on reference from any Revenue-officer subordinate to it, draw up a statement of the case, and refer it, with its own opinion thereon, to the High Court, and shall so refer any such question on the application of the assessee unless it is satisfied that the application is frivolous or that a reference is unnecessary.

Statement of case by Chief Revenue-authority to High Court.

(2) If the High Court is not satisfied that the statements contained in the case are sufficient to enable it to determine the questions raised thereby the Court may refer the case back to the Revenue-authority by which it was stated, to make such additions thereto, or alterations therein, as the Court may direct in that behalf.

(3) The High Court upon the hearing of any such case shall decide the questions raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the Revenue-authority by which the case was stated a copy of such judgment under the seal of the Court and the signature of the Registrar; and the Revenue-authority shall dispose of the case accordingly, or, if the case arose on reference from any Revenue-officer subordinate to it, shall forward a copy of such judgment to such officer who shall dispose of the case conformably to such judgment.

(4) Where a reference is made to the High Court on the application of an assessee, costs shall be in the discretion of the Court.

52. No suit shall be brought in any Civil Court to set aside or modify any assessment made under this Act, and no prosecution, suit or other proceeding shall lie against any Government officer for anything in good faith done or intended to be done under this Act.

53. The enactments mentioned in Schedule III are hereby repealed to the extent specified in the fourth column thereof:

Provided that such repeal shall not affect the liability of any person to pay any sum due from him or any existing right of refund under any of the said enactments:

Provided, further, that such repeal shall not affect the Super-tax Act, 1917, and any provisions of the said enactments which have been applied or incorporated by reference in the said Act, shall, for the purposes of that Act, continue to be in force.

VIII of 1917.

SCHEDULE I.

(See section 14.)

RATES OF TAX.

	Rate.
I. When the taxable income is less than Rs. 1,000 .	<i>Nil.</i>
II. When the taxable income is Rs. 1,000 or upwards:—	
(i) When the total income is less than Rs. 2,000 .	Four pies in the rupee.
(ii) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(iii) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(iv) When the total income is Rs. 10,000 or upwards, but is less than Rs. 25,000.	Nine pies in the rupee.
(v) When the total income is Rs. 25,000 or upwards.	One anna in the rupee.

SCHEDULE II.

(See section 37.)

RATES OF REFUND.

Amount.	Refund.
1. Less than Rs. 1,000	One anna in the rupee.
2. Rs. 1,000 or upwards, but less than Rs. 2,000 . .	Eight pies in the rupee.
3. Rs. 2,000 or upwards, but less than Rs. 5,000 . .	Seven pies in the rupee.
4. Rs. 5,000 or upwards, but less than Rs. 10,000 . .	Six pies in the rupee.
5. Rs. 10,000 or upwards, but less than Rs. 25,000 . .	Three pies in the rupee.

THE INDIAN INCOME-TAX ACT

SCHEDULE III.

(See section 53.)

ENACTMENTS REPEALED.

1	2	3	4
Year.	No.	Short title.	Extent of repeal.
1886	II	The Indian Income-tax Act, 1886.	So much as has not been repealed.
1897	XIV	The Indian Short Titles Act, 1897.	So much of the Schedule as relates to the Indian Income-tax Act, 1886.
1903	XI	The Indian Income-tax (Amendment) Act, 1903.	So much as has not been repealed.
1914	IV	The Decentralization Act, 1914.	So much of the Schedule as relates to the Indian Income-tax Act, 1886.
1916	V	The Indian Income-tax (Amendment) Act, 1916.	The whole.
1917	VII	The Indian Income-tax (Amendment) Act, 1917.	The whole.

ACT No. IV OF 1919

(PASSED BY THE INDIAN LEGISLATIVE COUNCIL.)

(Received the assent of the Governor-General on the
12th March, 1919.)

An Act to amend the Indian Income-tax Act, 1918.

WHEREAS it is expedient to amend the Indian Income-tax Act, 1918;
VII of 1918. It is hereby enacted as follows:—

Short title and com-
mencement.

1. (1) This Act may be called the Indian
Income-tax (Amendment) Act, 1919.

(2) It shall come into force on the first day of April, 1919.

2. In the proviso to sub-section (2) of section 14 of the Indian
VII of 1918. Income-tax Act, 1918 (hereinafter referred to as
the said Act), for the word "one" word "two" shall

Amendment of section
14, Act VII of 1918.

be substituted.

3. In sub-section (4) of section 18 of the said Act, for the figures,
brackets and word "17(1), (2) or (3)", the
figures, brackets and word "17(1) or (2)" shall
be substituted.

Amendment of section
18, Act VII of 1918.

Substitution of new
Schedule for Schedule I,
Act VII of 1918.

4. For Schedule I to the said Act, the following
Schedule shall be substituted, namely:—

"SCHEDULE I.

(See section 14)

Rates of Tax.	Rate.
I.—When the taxable income is less than Rs. 2,000 .	<i>Nil.</i>
II.—When the taxable income is Rs. 2,000 or upwards, and—	
(i) The total income is less than Rs. 5,000 .	Five pies in the rupee.
(ii) The total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(iii) The total income is Rs. 10,000 or upwards, but is less than Rs. 25,000.	Nine pies in the rupee.
(iv) The total income is Rs. 25,000 or upwards .	One anna in the rupee."

Substitution of new
Schedule for Schedule II,
Act VII of 1918.

5. For Schedule II to the said Act, the following Schedule shall be substituted, namely:—

“SCHEDULE II.

(See section 37.)

RATES OF REFUND.

Amount.	Refund.
1. Less than Rs. 2,000	One anna in the rupee.
2. Rs. 2,000 or upwards, but less than Rs. 5,000	Seven pies in the rupee.
3. Rs. 5,000 or upwards, but less than Rs. 10,000	Six pies in the rupee.
4. Rs. 10,000 or upwards, but less than Rs. 25,000	Three pies in the rupee.”

6. In the said Act, sub-section (3) of section 17, Chapter III, and in section 35 the words “or in a notice or order under
Repeals. section 30” are hereby repealed:

Provided that such repeal shall not affect the liability of any person to pay any sum due from him or any existing right of refund under the said Act.

ACT No. XVII OF 1920

(PASSED BY THE INDIAN LEGISLATIVE COUNCIL.)

*(Received the assent of the Governor-General on the
22nd March, 1920.)*

An Act further to amend the Indian Income-tax Act, 1918.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1918; it is hereby enacted as follows:—

Short title and com-
mencement.
VII of 1918.

1. (1) This Act may be called the Indian
Income-tax (Amendment) Act, 1920.

(2) It shall come into force on the first day of April, 1920.

2. In section 2 of the Indian Income-tax Act, 1918 (hereinafter
Amendment of section referred to as the said Act), after clause (12), the
2, Act VII of 1918. following clause shall be inserted, namely:—
VII of 1918.

“(12A). “Registered firm” means a firm constituted under an
instrument of partnership specifying the individual shares of the
partners of which the prescribed particulars have been registered with
the Collector in the prescribed manner.”

3. In sub-section (2) of section 3 of the said Act after clause (ix),
Amendment of section the following clause shall be inserted, namely:—
3, Act VII of 1918.

“(x) Agricultural income.”

Amendment of section
14, Act VII of 1918. 4. For the proviso to sub-section (2) of section
14 of the said Act the following shall be substi-
tuted, namely:—

“Provided that, where the assessee is a company or a registered firm
and the taxable income of such company or firm is two thousand rupees
or upwards, income-tax shall be levied at the maximum rate specified
in Schedule I.”

Insertion of new sec-
tion 14A in Act VII of
1918. 5. In Chapter I of the said Act after section 14
the following section shall be inserted, namely:—

"14A. (1) Where owing to the fact that the total income of any person has reached or exceeded a certain limit, he is liable to pay income-tax at a higher rate, the amount of income-tax payable by him shall, where necessary, be reduced so as not to exceed the aggregate of the following amounts, namely:—

Reduction of tax when margin above a certain limit is small.

- (a) the amount which would have been payable if his total income had been a sum less by one rupee than that limit, and
- (b) the amount by which his total income exceeds that sum.

(2) The income-tax payable by any person shall in no case exceed the amount by which his taxable income is greater than two thousand rupees."

6. The sections of the said Act mentioned in the Schedule are hereby repealed to the extent specified in the second column thereof:

Provided that such repeal shall not affect the liability of any person to pay any sum due from him or any existing right of refund under the said Act.

SCHEDULE.

(See section 6.)

SECTIONS REPEALED.

Section.	Extent of repeal.
Section 4	The whole.
Section 6	The words—"(i) any salary not exceeding five hundred rupees per mensem received by any member of His Majesty's Forces, or of His Majesty's Indian Forces, as the pay of an appointment which is ordinarily reserved exclusively for members of those Forces or (ii)."
Section 11	The words "with the exception of agricultural income".
Section 13	The words "salaries and",
Section 53	The second proviso.

ACT NO. XIX OF 1920.

STATEMENT OF OBJECTS AND REASONS.

1. The existing super-tax law is not based on the existing Income-tax Act, and one object of the present Bill is to bring the law relating to super-tax into relation with that at present governing income-tax.

2. A second object of the present Bill is to give effect to the proposal, mentioned in the speech introducing the Financial Statement for 1920-21, to abolish the present super-tax on the undivided profits of companies and firms and to replace it by a new super-tax, at a flat rate of one anna in the rupee, on the whole income of companies in excess of Rs. 50,000. The present super-tax will continue to be levied on individual incomes, unregistered firms and Hindu undivided families being treated for the purposes of taxation as individuals. The operative clause of the Bill is No. 4.

3. The remaining clauses of the Bill are concerned with the application of the relevant sections of the Income-tax Act and do not call for comment.

The 27th February, 1920.

DELHI:

W. H. HAILEY.

REPORT OF THE SELECT COMMITTEE.

The only amendment which we propose in the Bill is one of drafting. The word "prescribed" does not occur in the Bill, and the definition of the term is only required in the case of the applied sections of the Indian Income-tax Act, 1918. We have therefore transferred the definition to clause 6 of the Bill.

Sir Fazulbhoj Currimbhoj pressed for an amendment in the Bill which would exempt shareholders in a company from payment of super-tax on their income derived from a company which had already paid the tax. The majority of us were of opinion that such a concession would be contrary to the principles of the tax proposed by the Bill.

The Committee considered various suggestions in connection with the taxation clauses. The first was one from Mr. Sita Nath Ray to the effect that the Hindu undivided family should be placed on the same footing as a company, namely, that it should pay super-tax at the flat rate of one anna in the rupee. The Committee were of opinion by a majority that the effect

of this would be to place a Hindu undivided family in an unduly favourable position as compared with a company, inasmuch as the individual members of the family would not be liable to pay the ordinary super-tax on the distributed income, since such income would not be ascertainable. Mr. Sita Nath Ray then proposed a flat rate tax of one and half annas; the objection to which was that it would create a hardship in the case of the numerous smaller joint families. Mr. Sarma proposed a provision on the lines of section 20 of the English Income-tax Act, 1918, which enables partners, coparceners and joint tenants in certain cases to make separate claims for relief. The Committee considered that the difficulty of ascertaining the shares of individual members of a joint Mitakshara family would be almost insuperable. It was finally agreed that those members who are particularly interested in this question should consider further possibilities and discuss them with the Finance Department of the Government of India. We have not proposed any amendment.

The 17th March, 1920.

I sign this Report subject to a note of dissent.

It is inequitable that a man should have to pay twice and thrice super-tax in respect of the same income. I intend to move an amendment to prevent this anomaly.

FAZULBHOY CURRIMBHOY.

I sign this Report subject to my right of moving amendments.

S. N. ROY.

I sign this Report subject to my right of moving amendments.

W. E. CRUM.

ACT NO. XIX OF 1920.

(PASSED BY THE INDIAN LEGISLATIVE COUNCIL.)

(Received the assent of the Governor-General on the
23rd March, 1920.)

An Act to amend the law relating to super-tax.

WHEREAS it is expedient to amend the law relating to super-tax; It is hereby enacted as follows:—

Short title, extent and
commencement.

1. (1) This Act may be called the Super-tax
Act, 1920;

VII of 1918.

(2) It shall have the same extent as the Indian
Income-tax Act, 1918; and

(3) It shall come into force on the first day of April, 1920.

2. (1) In this Act, unless there is anything repugnant in the subject
Definitions. or context,—

Act VII of 1918. “principal Act” means the Indian Income-tax
Act, 1918;

“super-tax” means a tax imposed by this Act; and

“unregistered firm” means a firm which is not a registered firm.

(2) Save as otherwise provided in this Act, words and expressions
used herein and defined in the principal Act shall be deemed to have the
meanings respectively attributed to them by that Act.

3. For the purposes of this Act taxable income shall be the taxable in-
come computed in the manner laid down in Chapter I
Taxable income. of the principal Act, subject to the following modi-
fications, namely, that the proviso to section 7, sub-section (2) of section 12
and sub-section (2) of section 14 of that Act, shall have no application, and
that sub-section (1) of section 12 shall have application only in the cases
of unregistered firms and Hindu undivided families.

4. In addition to the tax imposed by section 14 of the principal Act,
Incomes chargeable to super-tax and rate there-
of. there shall, subject to the following provisions of
this Act, be charged and recovered and paid in
the year beginning on the first day of April, 1920,
and in each subsequent year—

- (a) by every individual subject to this Act, by every unregistered firm and by every Hindu undivided family, a super-tax on his or its taxable income at the rate specified in the Schedule, and
- (b) by every company, upon the amount by which its taxable income exceeds fifty thousand rupees, a super-tax at the rate of one anna in the rupee.

5. The Collector shall assess the sum payable after considering the returns, if any, made under sections 16, 17 and 28 of the principal Act, and the result of any inquiry made by him under section 18 of that Act. In the cases mentioned in sub-section (4) of that section the Collector shall make the assessment to the best of his judgment.

Sections 19 to 23, 25 to 27, Chapters IV and V, sections 42 and 45 to 52 of the principal Act shall, so far as may be, apply in the case of super-tax as if that tax and also, in the case of section 25, as if any tax due under the super-tax Act, 1917, were income-tax chargeable under the principal Act:

Application of Act VII of 1918.

VIII of 1917.

Provided that, in applying the said provisions, the word "prescribed" shall be deemed to mean prescribed by rules made under this Act or by rules made under the principal Act and applied with or without modification under the provisions of this Act.

7. (1) The Governor-General in Council may make rules for carrying out the purposes of this Act, and may, subject to such restrictions and conditions as he may impose, delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) Any rules made under section 43 of the principal Act may be applied by notification in the Gazette of India or the local official Gazette, as the case may be, to the purposes of this Act by the authority which made the same, with such modifications specified in the notification as may be necessary to facilitate their application to the said purposes.

(3) Rules made or applied under this section shall be published in the Gazette of India or the local official Gazette, as the case may be, and shall thereupon have effect as if enacted in this Act.

VIII of 1917.

8. The Super-tax Act, 1917, is hereby repealed:

Repeal of Act VIII of 1917.

Provided that such repeal shall not affect the liability of any person to pay any sum due from him under the said Act.

SCHEDULE.

(See section 4.)

(1) Where the taxable income does not exceed one lakh of rupees—	
(a) in the case of a Hindu undivided family—	
(i) in respect of the first seventy-five thousand rupees of taxable income,	Nil
(ii) in respect of the next twenty-five thousand rupees of taxable income;	One anna in the rupee.
(b) in all other cases—	
(i) in respect of the first fifty thousand rupees of taxable income, . . .	Nil
(ii) in respect of the next fifty thousand rupees of taxable income. . . .	One anna in the rupee.
(2) In respect of the first fifty thousand rupees of taxable income over one lakh of rupees.	One and a half annas in rupee;
(3) In respect of the next fifty thousand rupees of taxable income.	Two annas in the rupee;
(4) In respect of the next fifty thousand rupees of taxable income.	Two and a half annas in the rupee;
(5) In respect of all taxable income over two and a half lakhs of rupees.	Three annas in the rupee.

ACT NO. XLIV OF 1920.

(PASSED BY THE INDIAN LEGISLATIVE COUNCIL.)

*(Received the assent of the Governor-General on the
16th September, 1920.)*

An Act further to amend the Indian Income-tax Act, 1918.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1918; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Amendment No. 2) Act, 1920.

VII of 1918.

2. The following amendment shall be made in section 8 of the Indian Income-tax Act, 1918 (hereinafter referred to as the said Act), namely:—

Amendment of section
8 of Act VII of 1918.

Before the words "house property" where they occur for the second time the word "residential" shall be inserted, and the words and figure "and section 9" shall be omitted; and in the proviso to the same section for the words "house property" the words "the property" shall be substituted.

3. In sub-section (2), clause (i) of section 9 of the said Act the words "or where the premises are owned by the assessee the *bonâ fide* annual value thereof" shall be omitted; and in clause (v) of the same sub-section the word "such" shall be inserted before the word "buildings"; and in clause (viii) of the same sub-section for the word "premises" the words "such part of the premises as is used for the purposes of the business" shall be substituted.

Amendment of section
9 of Act VII, 1918.

REPORT OF THE ALL-INDIA INCOME-TAX COMMITTEE, 1921.

1. We are of opinion that in view of the difficulties arising from a recent interpretation by a High Court of the word "Income" in section 3 of the Act, that section should be altered on the lines of the English Income-tax Act in order to provide that income-tax shall be charged not on "Income" but "in respect of property, profits or gains" as described in Schedules or specific sections of the Act.

2. In view of the variety of systems of keeping accounts in this country we are of opinion that it is impossible to prescribe in the Act any uniform system of account-keeping on which profits shall be worked out.

3. We recommend that the Indian Income-tax Act should be extended in full to British Baluchistan and not confined, as at present, to the incomes of Government servants.

4. We agree that the Indian Income-tax Act should be amended in order to provide that no account shall be taken of any income derived from a Hindu undivided family by any individual member of the family in determining the rate at which that individual member shall pay income-tax on his separate income.

5. We agree that the Act should be amended in order to make the total income determine the liability to the tax as well as the rate at which the tax should be assessed on every portion of that income, and also in order to make the deduction on account of insurance premia permissible in the case of all incomes from whatever source derived.

We are not in favour of the recommendation made by the Mohammedan members of the Madras Committee that an allowance equal to or in lieu of insurance premia should be made in the case of those communities which have religious objections against life insurance.

6. The majority of the members of the Committee are of opinion that the adjustment system should be abolished provided that the assessments made in the current year be adjusted.

As regards new businesses we are of opinion that no assessment should be made until the second year. Provision should, however, be made in the Act for businesses that close down during the course of a financial year that the Collector may assess for that year on the profits received for the portion of the year during which the business is carried on,

We consider that there should be statutory provision that the owners of a business about to be closed down should give notice to the Revenue authorities of their intention to close down the business 15 days before the business is closed down. An addition should be made to section 24 for this purpose. Rai Bahadur Ganga Ram and Dewan Tek Chand would prefer that this provision should not apply to persons who have not been previously assessed.

7. We are of opinion that all rules under the Income-tax Act should be made by the Government of India and that no rules should be made by the Local Governments.

We endorse the opinion of the English Royal Commission on Income-tax in paragraph 408 (b) of their report that, where it can be done without detriment to the public interest, the general purport of the instructions issued to the Income-tax staff, so far as they affect tax-payers, should be made available to the public.

8. As regards the question of the graduation of the tax we are of opinion that the grievance caused by the "jumps" is not sufficient to justify any change in the present system. Some members consider that the Schedule should be altered by the addition of two new rates of $7\frac{1}{2}$ pies for incomes between Rs. 10,000 and Rs. 12,500 and $10\frac{1}{2}$ pies for incomes between Rs. 17,500 and Rs. 20,000. The majority, however, do not consider that even this change is required.

9. We are of opinion that the distinction between registered and unregistered firms should be abolished and that the Act should make provision somewhat on the lines of the English Act for assessing the profits of partnerships as such at the highest rate. If the individual partners file their statements of personal income at the same time, the assessor will merely have to ascertain whether the whole of the partnership profits are accounted for in these personal statements, in which event he would charge the partners direct at the appropriate rate. It would be left for the decision of the assessor in each case to decide whether a partnership existed or not. The super-tax on unregistered firms should be abolished. Super-tax would then be levied on each individual partner on his total income. The only difficulty anticipated is as regards the non-resident partner. We consider that provision should be made in the Act empowering the Income-tax assessor to call upon any resident partners or representatives of a firm to pay the super-tax due on the share of the profits belonging to any non-resident partner. We do not consider it feasible to insert any provision requiring any such resident partner or representative of the firm to get from the non-resident partner a statement of any other income that may accrue to him in India.

10. We are of opinion that the present rules made by most local Governments providing that the tax shall only be refunded in the district in which it was levied should be abolished and that any rules made should provide that a refund should be granted to an assessee in the district in which he is assessed to income-tax, or, if he is not assessed, the district of his residence. We also recommend that it should be made obligatory on all persons who deduct income-tax from interest on Government securities or the securities of companies to issue to all security-holders a certificate that income-tax has been deducted at the maximum rate, and that companies distributing dividends should be required by law to give a certificate that income-tax has been or will be paid at the maximum rate. In both cases the amount of rate should be specified in the certificate. These certificates should be accepted as a final authority for a refund in the district in which the assessee is assessed, or, if he is not assessed in which the assessee resides.

We recommend that applications for refunds should be received by post and that the refunds for those assessees who do not present themselves before the Collector should be remitted by money order. In such cases the cost of the money order should be borne by Government and should not be deducted from the amount refunded.

We are unable to support the recommendation of the Bombay Committee that in the case of Government Securities the tax should be recovered at the lowest rate, the balance due being recovered direct from the assessee by the Collector.

RECOMMENDATIONS REGARDING SPECIFIC SECTIONS.

Section 2 (2).

11. Mr. Roy put forward the proposal that the members of a Hindu undivided family should be permitted to register their shares with the Collector, and that where there is registration of the whole 16 annas share, assessment should be made individually on each member of the family only in respect of his share. He wishes this proposal to have effect although the income is not as a matter of fact actually distributed according to the registered shares. Mr. Monmohandas Ramji supports this proposal. Rai Bahadur Ganga Ram, Dewan Tek Chand and Mr. Jatar consider that the change proposed is neither possible nor desirable. The other members of the Committee do not wish to express any view upon this point, except to point out that if this proposal is carried out, the proposal previously made (paragraph 4 above) that the income derived by any individual member of an undivided Hindu family should not be taken into account in determining the rate of tax to which he is liable should have to be dropped.

Section 2 (4).

12. We agree to the proposal that the definition of Chief Revenue-authority should be amended so as to permit a person other than the Financial Commissioner or the Board of Revenue being appointed as head of the Income-tax Department in provinces where these authorities exist. We also agree to the proposal of the Madras Committee that the designations of the Chief Revenue-authority, Collector and Commissioner should be abolished as they are likely to cause confusion and that the Income-tax authorities should be given a distinct nomenclature distinguishing between the assessor, the appellate authority and the head of the department. We also agree with the view of the Madras Committee that the Income-tax Commissioner should not be appointed as a matter of routine but should be an officer experienced in income-tax work in India who is himself prepared to keep the post for a sufficient time to preserve consistency and continuity.

The Bengal members are only prepared to agree to the proposal regarding the amendment of the definition of "Chief Revenue-authority" on condition that their proposal regarding the association of non-official agency with the Commissioner of Income-tax in the disposal of revision cases and cases referred to High Court is accepted (see paragraphs 39 and 54 below).

Section 2 (5).

13. We agree with the proposal that the definition of "assessor" should make it clear that in cases where a business has various branches whether situated within the same province or more provinces than one, the assessor of the district in which the branch is situated should be given the powers conferred by this definition on the Collector of the headquarters district.

Section 2 (11).

14. We agree that power should be taken to fix by rule the "previous year" for any commercial community when the year adopted by the community does not conform with the present definition in the Act. There are two cases to be provided for, (1) the case where a commercial year may be slightly over or slightly under twelve months, and (2) the case where a commercial year ends shortly after the 31st March. In the latter case it is suggested that "previous year" should include a year terminating within one month after the end of the financial year.

Section 3 (1).

15. We are not in favour of the proposal of the Bombay Committee that the Act should be extended so as to make liable to Indian income-tax incomes earned outside British India when not received in British India,

When an assessee domiciled in British India has an income accruing outside British India and brings that income into British India at intervals, the Act should provide that these accumulated profits shall be liable to assessment whenever brought into British India, irrespective of whether they are brought within the year in which they are earned or not.

Section 3 (2) (iv), (v).

16. We agree with the proposal that the concessions given to the particular provident funds mentioned in these clauses should be extended to the provident or superannuation funds of private firms and companies. It would, however, be necessary to lay down some general principles (in particular providing that no such privilege should be conferred upon any funds which have not irrevocably left the control of the proprietors of the business), and these principles might suitably be inserted in the rules to be framed under the Act, pending legislation for such funds, which we understand is at present under consideration.

Section 3 (2) (viii).

17. We consider that the Legislative authorities should be asked whether this clause read with the definition of the word 'business' in section 2 (3) will cover the case of a person purchasing one house with the intention of selling it for profits, and if the case is not covered, we suggest that the Act should be amended in order to provide for such a case.

Section 5.

18. We agree that efforts should be made to simplify the forms of return for income-tax purposes so as to make them as intelligible as possible to the assessee, and that the forms should be prescribed by rules made by the Government of India.

Section 6.

19. We agree that this section should be amended in order to require all employers to deduct income-tax from all payments to their employees under "salaries".

Section 8.

20. We agree that this section should be amended so as to provide for the case of premises let for business purposes and also for the assessment under this section of such premises as wharves, millyards, etc.

In view of the heavy loss that it would be involved, we are not prepared to recommend that municipal taxation should be allowed as a deduction under this section. Mr. Roy and Mr. M. M. Ramji would allow deductions

in respect of municipal taxation on house property and would make up the loss by increasing the rates of income-tax generally.

We do not consider that any allowance should be made for brokerage for arranging loans on mortgages and legal charges relating thereto as they are in the nature of capital charges.

We are unable to accept the recommendation of the Bombay Committee that, when the annual value exceeds the actual receipts from rent, tax should be levied from the tenant on the difference, or that the landlord should be empowered to recover tax from the tenant, as this seems to us to be a matter for mutual arrangement between the landlord and the tenant.

Section (8) (i), (ii).

21. We consider that the allowance of one-sixth for repairs is a generous one and that there is no case for increasing it. Mr. Roy dissents and would abolish the one-sixth allowance and allow actual expenditure in every case.

Section 8 (vi).

22. We do not consider that any alteration is required in sub-clause (vi) regarding collection charges.

Section 8 (vii).

23. We do not consider that any alteration is required in sub-clause (vii) regarding the allowance for vacancies. If there is any want of uniformity or regularity in connection with any such allowance the matter could be cured by executive instructions.

Section 9.

24. We do not consider it necessary or possible to specify in this section all allowances which are admissible or inadmissible. Suggestions have been received from Madras for the insertion in this section of a large number of allowances most of which are generally allowed under sub-section (2) (ix); lack of uniformity in granting deductions permissible under that sub-section can be provided for by the issue of executive instructions; in particular we consider that such instructions should be issued providing for allowances for bad debts, when consistent with the system of accounts adopted by the assessee.

Section 9 (2) (iii).

25. We agree that instruction should be issued that under section 9 (2) (iii) interest paid to a partner on a legal loan lent by him to the firm should be allowed as a business expense to the firm. We cannot accept the

proposal made by the majority of the Madras Committee that the share of profits given to Mohammedan depositors in lieu of interest on borrowed capital should be allowed as a business expense.

26. We cannot accept the proposal made by the Bombay Committee that salaries paid to a partner should be allowed as a business expense.

Section 9 (2) (iv).

27. We agree that the allowances provided for in clause 9 (2) (iv) should be extended so as to cover insurance of stocks, stores and office furniture.

We are unable to support the recommendation of the Bengal Committee that allowance should be made for internal insurance by a firm itself. The non-official members from Bengal and United Provinces dissent.

We do not consider it advisable to insert any provision in the Act for allowing as a business deduction insurance against a loss of profit. We think there should be a standing instruction that where the owner of a business asks for any such allowance it should be given on the assessee agreeing to pay income-tax on any amount recovered from the insurance company. The same principle should apply to insurance against loss of rent under section 8.

Section 9 (2) (vi).

28. We recommend that the section should be amended so as to provide that depreciation at the rates sanctioned by the Government of India should be allowed every year when there are sufficient profits and only the excess of the depreciation allowance over profits should be carried forward from year to year until absorbed, that this practice should be followed whether the depreciation allowance is adjusted in the accounts or not irrespective of the amount shown in the accounts. We agree that the sub-section 9 (2) (vi) should be further amended in order that the rates of depreciation approved by the Government of India should be fixed rates and not maxima, and should apply to the whole of India.

Section 9 (2) (viii).

29. We are unable to accept the recommendation made by the majority of the Madras Committee that the provisions of this section should be extended so as to provide that all municipal taxes on a business whether in respect of premises or otherwise should be allowed as a business expense even if such a tax varies with the income of the business and is in the nature of a local income-tax,

Section 9 (2) (ix)

30. We are of opinion that *bonâ fide* expenditure for the welfare of the employees of a business should be allowed as a business expense under this sub-section on conditions to be prescribed by the Government of India or to be agreed upon between the Government of India and the assessee. We recognise that it is impossible to make any specific provision in the Act for this purpose.

Section 14 (2).

31. We consider that the words "by collection in that year" should be omitted, as they are inconsistent with section 36 (5).

We agree that it is necessary to omit from this section the words "and the taxable income of such company or firm is Rs. 2,000, or upwards" and to provide for the maximum rate being levied on the whole of the taxable income of the company or firm.

Section 17.

32. We consider that when a particular period is prescribed in the notice within which a return must be made, that period should date from the date of service of the notice on the assessee and not from the date on which the notice was issued. We consider it unnecessary to extend the period within which a return must be furnished to 60 days, as the Collector has complete discretion to extend the period.

Section 17 (2).

33. We are unable to accept the recommendation made by the Bombay Committee that the old summary procedure should be reintroduced for incomes between Rs. 2,000 and Rs. 5,000. Mr. Manmohandas Ramji dissents from this conclusion.

Section 18.

34. We do not consider that any change should be made in this section on the lines suggested by the Madras Committee (*viz.*, that the Collector must specify the particular accounts and documents to be produced and not to call for all documents and accounts, as we consider that the present provisions of this section are sufficiently clear.

We agree with the Madras Committee that the section should be amended in order that it should not be obligatory on the Collector in every case to call for accounts where he considers the return in any way to be incorrect. We consider that this object could be attained by substituting the words "or produce" for the words "and produce" in sub-section (2). The object of the amendment is to provide that the Collector may dispose

of a case by a personal interview with the assessee without being required by the Act to call for documents if he does not think this necessary.

We agree that the sections of the Act which provide that an assessee must attend either in person or by a pleader should be amended so as to allow the assessee to be represented by any person authorised by him.

We agree with the Bengal recommendation that a Collector should have power to call for the production of accounts whether a return has or has not been filed. We recommend that executive instructions should be issued to prevent undue detention of accounts called for by an assessor.

We do not agree with the Bombay proposal that Income-tax Collectors should be debarred from taking notes from accounts of the names of persons who borrowed money from or lent money to the firm that is being assessed. We agree that any such notes must be kept strictly confidential. Mr. Mannohandas Ramji and Mr. Roy dissent from this.

Section 18 (5).

35. We recommend that the Act should be amended in order to provide for cases where the income from salary is by itself below Rs. 2,000 and is not liable to taxation at the source, and where an assessee's total income by the addition of other income to his salary is over Rs. 2,000. This suggestion is made as section 18 (5) refers only to sections 8-11.

Section 20.

36. We are unable to recommend the suggestion of the Madras Committee that an assessee should in all cases be supplied free with a copy of the Collector's order of assessment along with the notice of demand. We agree, however, that an assessee should be supplied by the Collector with a copy of the order of assessment free of charge if he applies for it.

The majority of the members agree to the recommendation of the Madras Committee that where there is a change in the proprietorship of a business or profession, it should be made clear in the Act that the liability for the tax based on the income of the preceding year attaches to the business or profession itself and that the new owners are liable for the tax although they were not owners for the whole of the time during which the profits on which the assessment is made were earned. This will also apply to cases where a company has been bought up by another company.

Section 21.

37. We are not in favour of the Madras Committee's proposal that an appeal should be allowed in cases where an assessee has failed to make a return or to comply with a notice requiring him to produce his accounts

unless the appellate authority finds that the failure is knowing or wilful. We are, however, in favour of the proposal of the Bengal Committee that as it is very difficult to determine that a person has "knowingly and wilfully" failed to make a return under section 17 or to comply with the terms of a notice under section 18, section 21 should be amended so that any person who has after due notice and reasonable opportunity failed to make a return or to comply with the terms of a notice under section 18 should not be able to petition or appeal against an order of assessment or adjustment. Where, however, an assessment has in such a case been made under section 18 (4) and an assessee shows within one month from the date of service on him of a notice of demand to the satisfaction of the Collector that his omission to make a return or to comply with the terms of a notice under section 18 is due to want of due notice or lack of reasonable opportunity it should be open to the Collector to make a fresh assessment without the assessee having to file an appeal to the appellate authority against the original assessment. Dewan Tek Chand and Rai Bahadur Ganga Ram would prefer the Madras Committee's proposal.

Section 22.

38. As regards the view of the Madras Committee that the words "and fixing such time for payment as he thinks fit" in this section are inconsistent with the provisions of section 35, we are of opinion that section 22 only gives the Commissioner power, when he passes his final order on the appeal, to fix a date for payment and it gives the Commissioner no power to pass an order prior to the final order on the petition, requiring that the collection of the tax assessed shall be postponed, the Collector retaining his power under section 35 at his discretion to postpone collection pending disposal of an appeal.

We are not in favour of the suggestion mentioned by the Madras Committee that appeals should be heard by non-official persons appointed by the local Government.

Section 23.

39. We are not in favour of the proposal put forward by the Bengal Committee that, if a petitioner so desires it, his petition should be heard and disposed of by the Chief Revenue Authority sitting with two non-official assessors whose functions would be advisory only. We do not think it would be possible to get a panel of non-official assessors willing to undertake this duty in most of the districts, and we do not consider it advisable that the Chief Revenue Authority should always deal with revision cases at the headquarters of the province. The non-official members from Bengal dissent.

Section 24.

40. We recommend ~~that~~ this section should be amended in order to make it clear that the penalty imposed under it is a penalty and is not "income-tax".

Section 25.

41. We agree that this section should be amended by altering the words "at any time in the year next following" to "at any time up to the end of the year next following."

Seven of the members of the Committee are in favour of extending the period under this section to three years, provided that in making assessments or reassessments care is taken not to call for the production of account books unnecessarily and to detain them unduly. Six members of the Committee would retain the period of one year.

We agree that the last words of the section "and all the provisions of this Act shall apply accordingly" should be amended in order to make it clear that all that is necessary is that the Collector should commence the proceedings for the assessment or reassessment within the period prescribed by this section.

Section 26.

42. We agree with the proposal put forward by several provincial committees that this section should be amended so as to allow the Collector to rectify mistakes of his own motion.

We agree that it should be made clear, either by re-wording the section itself or by executive instructions, that the word "mistake" in this section refers only to a mistake which is patent from the facts or documents which were before the assessing officer when he passed the original assessment order and that it is not intended either to confer a general power of review or to authorise any assessee to introduce new facts. The period under this section should be the same as in section 25.

We recommend that the word "may" in the first line of the section should be replaced by the word "shall".

Section 28.

43. We agree with the proposal of the Bengal Committee that provision should be made in this section to enable a Collector to require information to be given regarding specific payments when there is reason to believe that such payments could become liable to income-tax in the hands of the recipients. Mr. Mannohandas Ramji dissents on the ground that the Bombay Committee are opposed to any attempts to obtain information regarding the income of any assessee from any other party.

Section 33.

44. We are unable to propose, as recommended by the Bombay Committee, any suitable definition of the words "business connection" and "agent". We are, however, of opinion that special efforts should be made to make the working of this section uniform and to define the policy to be followed through out the whole of India, either by rules or by executive instructions.

Section 35.

45. We do not see any reason to accept the Madras proposal for omission of the words "or if a time is not so mentioned, then on or before the first day of the second month following the date of the notice or order".

Section 36.

46. We agree with the proposal of the United Provinces Committee that sub-section (1) of this section should be divided into two sub-sections, one providing separately for levy of the penalty and one for realisation of the demand.

We do not think it is necessary to alter this section as proposed by the Madras Committee in order to make it possible to arrest a defaulter in the Madras City.

Section 37.

47. We consider that it should be made clear in the Act that where income-tax is deducted at the source it is the gross amount of the income before the income-tax is deducted that is to be taken into consideration in determining the rate at which an assessee shall be liable to income-tax on the rest of his income and also in determining his liability to super-tax.

Clause (b) of this section should be amended in order to make it clear that it is the amount of the profits to which a partner is entitled and not the profits which he has actually received which determines his personal liability to income-tax and his claim to a refund.

Section 38.

48. We consider that the period within which claims for refund under section 37, should be allowed should be extended to three years from the last day of the year to which the claim related, if a similar extension is made with regard to the period prescribed in sections 25 and 26.

Section 40.

49. We agree with the Bengal Committee that the question should be considered of whether a reference to section 28 is required in this section, as it is not clear whether such reference is necessary in order to bring

section 177 of the Indian Penal Code into operation against a person who makes a false statement under section 28.

Section 41.

50. As regards a suggestion from the Madras Committee for an alteration regarding the officer empowered to sanction prosecutions we think that the power to sanction prosecutions should be conferred upon the appellate authority under the Act and not upon the Income-tax Collector.

Section 42.

51. We agree that this section should be amended in order to make penal the disclosure of any information contained in any income-tax assessment record or any evidence or answer given by any person examined by revenue authorities.

We also think that it should be made clear in the Act that these documents or records cannot be called for by civil courts and suggest that the wording of the English Act should be followed, preventing public servants from disclosing information obtained in connection with the assessment of incomes except to such persons only as act in the execution of the Act, and where it shall be necessary to disclose the same to them for the purposes of the Act, or in order to, or in the course of, a prosecution for perjury committed in connection with proceedings under this Act.

We are further strongly of opinion that the practice in certain provinces of furnishing information to local authorities, who impose a tax on "circumstances and property" or a local income-tax of the details of assessments made by the income-tax authorities must be stopped.

We do not accept the proposal of the Madras Committee that for the words "Local Government" the words "District Officer or Magistrate or an officer of his status" should be substituted in the proviso, as section 50 empowers the Local Government to delegate its powers to the head of the Income-tax Department.

Section 46.

52. The Legislative Department might consider the objection raised by the Madras Committee to the words "by the delivery or tender to him" in this section. That Committee recommends that the section should be amended in order to make it clear that a notice may be served in the manner prescribed in the Code of Civil Procedure for the service of summons.

Section 47.

53. We agree to the proposal of the United Provinces Committee that this section should be so worded as to make it clear that the reference

to the Government of India under this section is optional and not compulsory; that is, where the provinces concerned agree as to what is to be considered the principal place of business, no reference need be made to the Government of India.

Section 51.

54. We are of opinion that a reference to the High Court should be made only on a question of law and not on a question of fact. Mr. Manmohandas Ramji dissents. We agree to the proposal that this section should be amended so that the Chief Revenue Authority should no longer have power to withhold a reference to the High Court on the ground that an application is frivolous, or that a reference is unnecessary, but should be required to state a case to the High Court on the application of an assessee. Also that in order to provide against frivolous and unnecessary applications the section should contain a provision that every such application should be accompanied by a fee of Rs. 100. In order to safeguard the revenue the section must provide that the fact that a case has been stated to the High Court, shall not in any way stop the collection of the income-tax due from the assessee. The assessee must pay the tax, but if owing to the judgment of the High Court the amount of assessment is reduced the amount overpaid shall be refunded with such interest if any as the High Court may allow. Two members of the Committee would levy a fee of Rs. 20 and one member would charge no fee at all. The Bengal representatives and Mr. Birch are of opinion that there should not be an unrestricted right of appeal but that if the Chief Revenue Authority does not state a case on an application it should be open to the petitioner to require him to reconsider his decision sitting with two non-official assessors, the opinion of the majority to prevail.

We unanimously agree to the proposal of the Madras Committee that the section should be further amended in order to make it clear that the application for reference need not be made before the final order is passed by the Chief Revenue Authority but should be made within one month after the passing of the order. In order to secure the revenue such a reference should only be made after the assessment order has been passed.

We unanimously agree that no authority other than the Chief Revenue Authority should be required or allowed to state a case.

GENERAL.

54-A. We do not consider that any alteration is required in the definition of "Magistrate" in section 2 (9) of the Act as suggested by the members of the Madras Committee.

55. We agree to the proposal made by several Provincial Committees that losses under one head of income should be charged against profits under

another. Under the wording of section 14 it is the aggregate amount chargeable under each head that determines taxable income, so that where a person has carried on a trade or profession and also has an income from house property if he has incurred an actual loss in the trade, the figure adopted under that head in arriving at the aggregate amount of income chargeable to income is *nil* and not a minus sum. The majority of the Committee 8 against 6 are opposed to the proposal made by the Bengal Committee that business losses should be carried forward for 3 years.

56. The majority of the Committee are opposed to the Bengal Committee's proposal that provision should be made in the Act for making persons who are liable to income-tax liable to submit a return to the Collector of Income-tax whether called upon to do so or not.

57. We do not accept the recommendation of the Bombay Committee that accountants who claim to have examined accounts of a tax-payer should be called upon to take a declaration on oath that the accounts are correct for income-tax purposes and that a penalty should be imposed where certified accounts are found to be incorrect from this point of view.

58. With reference to proposals of the Bombay Committee and the United Provinces Chamber of Commerce we consider that there should be no alteration in the present provision regarding the super-tax on companies; more particularly in view of the loss of income involved. Under the terms of our reference we are debarred from making any proposals involving a loss of revenue unless accompanied by proposals for recouping that loss.

59. Our opinion has been asked by the Government of India on certain difficulties experienced in the working of Rule 15 of the Devolution Rules which provides for the provinces obtaining a share in the growth of income-tax receipts in so far as that growth is due to an increase in the amount of income assessed. The difficulty is that income-tax on the profits of a Company is collected in the province in which the headquarters of the Company is situated and the province where the whole of the operations of the Company are carried on, does not collect any income-tax from the Company. The non-official members recognize that there must be hardships in many cases but they are unable to lay down any general rule and leave it to the Government of India to decide where a case is such as to require any specific action. The case of Tata's Iron and Steel Works was considered an exceptional case. The non-official members of the Committee (other than the Bombay representatives) think that in this particular case as the whole operations of the Company are conducted in Behar and Orissa and as the Company itself has asked that the income-tax assessed on it should be collected in Behar and Orissa, the Government of India should reconsider their previous decision in the matter.

Where the assessment of a Company or firm or business is transferred from one province to another, subsequent to the year 1920-21, the Committee are unanimously of opinion that the amount of income assessed in provinces in 1920-21 for the purpose of this Rule should be reduced in the case of the province from which the Company is transferred and a corresponding increase made in the assessed income of the province to which the business is transferred.

60. With reference to the suggestion of Mr. Manmohandas Ramji that provision should be made for the alleviation of the burden of double income-tax where the same income, or part of the same income, is taxed in more countries than one, it was explained that at a conference between representatives of the Home Government and the Dominions and of India an agreement was arrived at to the following effect:—

That in respect of income-tax both in the United Kingdom and in India there should be deducted from the appropriate rate of the United Kingdom income-tax (including super-tax) the whole of the rate of the Indian income-tax charged in respect of the same income, subject to the limitation that in no case should the maximum rate of relief given by the United Kingdom exceed one half of the rate of the United Kingdom income-tax (including super-tax) to which the individual tax-payer might be liable, and that any further relief necessary in order to confer on the tax-payer relief amounting in all to the lower of the two taxes (United Kingdom and Indian) should be given by India. That is to say, the proposal is that where income is liable to taxation both in the United Kingdom and in India, it should pay only at the highest rate leviable in either country. These proposals have been accepted by the Government of the United Kingdom and are embodied in section 27 of the Finance Act of 1920. Under that provision a person whose income is assessed both in the United Kingdom and in India is entitled to claim from the authorities of the United Kingdom a refund or rebate of the rate levied in India up to one half of the English rate. We recommend that the Indian Act should be amended in order to implement the bargain arrived at and to provide that where any further relief is to be given in order to secure that such a person shall not pay a rate higher than the highest rate in either country, such relief will be given by India, subject to the limitation that the relief given in India shall not exceed half of the rate of income-tax and super-tax combined. At present the Indian rates of income-tax and super-tax combined are less than half of the rates in the United Kingdom, and therefore no loss will at the outset be incurred to Indian revenues from this arrangement. Loss will only be incurred when owing to any alteration in the rates, the Indian rate is more than half the English rate, and the loss would merely be the amount by which the Indian rate exceeds half the English rate.

61. The non-official members of the Committee desire to record their opinion that a matter of greater importance than the amendment of the Act is an increase in the number and efficiency of the staff, which should consist of officers of the highest training and integrity. They would emphasise that the Income-tax Department should include experts of high standing trained in accountancy whose remuneration should be such as to reflect the market value of their professional experience and attainments. Accountancy should be one of the foundations of training for the whole service. The scale of pay should be such as to attract the best material available and all posts in the department including the highest should be open to any officer of proved experience and capacity.

62. We have recommended that all the rules under the Act should be made by the Government of India and that local Government should have no power to frame any rule. We have further throughout our report recommended that numerous details regarding assessment and the interpretation of provisions of the Act can only be settled and made uniform by issue of the rules and instructions. It is therefore essential in our opinion that the Government of India should have at least the nucleus of a department with functions similar to those of the Board of Inland Revenue in England.

ACT NO. XI OF 1922.

STATEMENT OF OBJECTS AND REASONS.

This Bill, which is designed to take the place of the Indian Income-tax Act, 1918 (VII of 1918) and the Indian Super-tax Act, 1920 (XIX of 1920), is based on the report of a Committee appointed to make recommendations for the amendment of these Acts, more particularly regarding the assessment of mercantile profits. The report of the Committee was published for general information on the 28th July 1921. The Bill deals merely with the basis, the methods, and machinery of assessment. The rates at which income-tax and super-tax will be charged will be determined by the annual Finance Act, and the Schedules in the present Acts have, therefore, been omitted from this Bill. The Bill is a purely administrative measure, the provisions of which will be set in motion by the passing of the annual Finance Bill.

Basis of Assessment.

2. Under the present Act, tax at the rates fixed for any year is levied on the income of that year. A provisional assessment is first made on the income of the preceding year, and this assessment is subsequently adjusted and corrected when the income of the year in which the provisional assessment was made is ascertained. This system has given rise to numerous complaints. It involves the keeping of a running account between the Government and the tax-payer; where incomes are liable to sudden fluctuations, the tax-payer has to pay a heavy tax in a lean year and a light tax in a prosperous year; the working of the system is not clearly understood by many assesseees, and has given rise to many misapprehensions. The Bill, therefore, provides for the tax at the rates sanctioned for any year being assessed finally on the income of the preceding year and for the abolition of the adjustment system. Since, however, the assessments made in the current year are provisional assessments, clause 68 of the Bill provides that all assessments made in the year 1921-22 shall be adjusted.

The only exception to this general rule is contained in clause 26 of the Bill, where, in order to guard against a possible loss of revenue owing to delay in making assessments on the profits of businesses that close down during the course of a financial or commercial year, it is provided that in such cases, in addition to the assessment on the income of the preceding year, a further assessment may be made in the year in which a business, profession or vocation is closed down on the income of that year. The same clause imposes a statutory obligation on a person discontinuing a business, etc., to give timely notice to the income-tax authorities of his intention to discontinue the business.

3. Difficulties have been experienced in regard to the assessment of business profits owing to a High Court ruling that the word "income" in section 3 of the present Income-tax Act means income actually or constructively received, and that the use of the word in this sense in section 3 restricts and limits any interpretation to be placed upon the following sections of the Act which specify the different classes of income liable to the tax. If this interpretation were to be strictly followed, considerable inconvenience would be caused to assesseees who keep their accounts not on the basis of sums actually received and sums actually paid out, but on the principles of mercantile accountancy by the preparation of a profit and loss account and the comparison of the value of the stock in hand at the beginning and the end of each year, since such assesseees would be required to recast the whole of their accounts on a cash basis for income-tax returns. The provisions in clauses 3, 4 and 6 to 12 of the Bill have, therefore, been re-drafted in order to make it clear that the tax is chargeable not necessarily on "income" calculated on actual receipts and expenditure, but on the "income, profits or gains" as set out and defined in these clauses; while clause 13 makes it clear that no uniform method of accounting is prescribed for all tax-payers, and that every tax-payer may, so far as is possible, adopt such form and system of accounting as is best suited for his purposes. The only restrictions are that the method adopted must be one that clearly reflects the income of the assessee in respect of the fixed period of "the previous year", and that it is the one regularly employed by him for the purposes of his business. If the tax-payer does not regularly employ a method of accounting which clearly reflects his income for the "previous year" the computation will be made in such manner as in the opinion of the assessor does clearly reflect it. It will be the method of accounting adopted for or by the tax-payer, therefore, that will determine the period within which any item of gross income or any deduction therefrom is to be accounted for. For the same reasons the words "in respect of sums paid or, in the case of depreciation, debited" which occur in section 9 (2) of the present Act have been omitted, and sub-clause (3) of clause 10 of the Bill inserted so that there may be no doubt that the assessee may adopt either a cash basis or a mercantile accountancy basis as his regular system of keeping accounts.

4. As stated above assessable income must be computed with reference to a fixed period, which is known as the "previous year". The definition of the phrase "previous year" in section 2 (11) of the present Act has occasioned difficulties to assesseees whose accounts here is not in accordance with that definition. That definition restricts the accounting period to a period of twelve calendar months, and merely gives the assessee an option of adopting a year of twelve calendar months ending on a date other than the 31st day of March. In the case of certain communities the commercial year is not necessarily a calendar year, but is a period which, expressed in

calendar months, varies from year to year, and in one year may be slightly over and in another year slightly under twelve months. Again, any year which is adopted in place of the financial year must under the present definition terminate at some period within the previous financial year, and there are numerous cases where the commercial year terminates in the month of April so that the returns and accounts on which the assessment is based in such cases relate to a period more than twelve months prior to the date of assessment. Clause 2 (11) (b) provides for such cases, so that either the Government of India or the head of the Income-tax Department in a province, if authorised by the Government of India, may determine as the "previous year" a commercial year which may be slightly over or slightly under twelve months. It is intended that no commercial year should be fixed terminating later than one month after the end of the previous financial year.

5. The method of calculating taxable income which is prescribed in sections 12 to 14-A of the present Act has given rise to various inequalities in assessment. "Taxable income" under the present Act means income assessed directly on the assessee, that is, his income from sources other than the dividends of a company, or the share in the profits of a firm, so that an assessee who has income either from a firm or from the profits of a company and has in addition other income which is assessed to income-tax directly on him, pays no income-tax on that other income unless it is in excess of Rs. 2,000, while *per contra* he gets no deduction on account of insurance premia set against the income that he derives from a company or a firm. Clauses 3 and 14 to 16 of the Bill, therefore, provide that the "total income" of an assessee shall determine his liability to the tax as well as the rate at which the tax shall be assessed on every portion of that income and also permit the deduction on account of insurance premia in the case of all income from whatever source derived. A further amendment in these clauses has been made in order to provide that no account shall be taken of any income derived from a Hindu undivided family by an individual member of the family in determining the rate at which that individual member shall pay income-tax on his separate income.

6. Under the wording of section 14 of the present Act it is the aggregate amount chargeable under each head that determines taxable income, so that when a person has carried on a trade or profession and also has an income from house property, if he has actually incurred a loss in the trade, the figure adopted under that head in arriving at the aggregate amount of income chargeable to income-tax is *nil* and not a *minus* sum. In clause 25 of the Bill it is proposed to amend this provision so that a loss under one head of income may be charged against profits under another.

7. Another difficulty complained of by commercial assessee is in connection with the distinction in the present Act between registered and

unregistered firms. This distinction is therefore abolished in this Bill, under the provisions of which the profits of partnerships as such will be assessed at the highest rate, it being left to the assessor in each case to decide whether a partnership exists or not from the papers or accounts produced by the assessee. While the liability for the income-tax payable on account of the profits of a firm or partnership will remain upon the partnership, in order to avoid unnecessary refunds departmental instructions will be issued that where individual partners file their statements of personal income at the same time as the statement of the partnership profits, the assessor will merely have to ascertain whether the whole of the partnership profits are accounted for in these personal statements in which event he would charge the partners direct at the appropriate rate. The liability of the partnership for the tax assessed on the partnership profits would however remain unless and until the tax assessed on the individual partners has been recovered from them.

The super-tax on unregistered firms it is proposed to abolish, and super-tax will then be levied on each individual partner on his total income. In order to provide, however, for the recovery of super-tax from the share of profits of partners in a firm who are not resident in British India, provision is made in clause 56 that the resident partners or representatives of such firms shall pay the super-tax due on any non-resident partner's share of the profits, and a similar provision is made in the same clause regarding payments to non-resident share-holders of a company who are liable to super-tax. This liability will merely attach to cases where the amount of profits or dividends payable to a non-resident partner or share-holder is in itself liable to super-tax on the assumption that it represents the whole income of such non-resident partner or share-holder. It does not appear feasible to insert any provision requiring the resident partner or representative of a firm to obtain from the non-resident partner a statement of any other income that may accrue to him in British India. In cases where there is reason to believe that there is such other income, it will be necessary to rely on the provisions of clauses 42 and 43 of the Bill.

8. Difficulties have been experienced regarding the distribution of the tax in cases where there has been a change in the proprietorship of a business or profession. In clause 27 it is proposed to remove these difficulties by providing that the liability for the tax based on the income of the preceding year attaches to the business or profession itself and that the new owners are liable for the tax even although they were not owners for the whole of the time during which the profits on which the assessment is made were earned. This will apply whether the business or profession is owned by a single individual or by partners or by a company.

Machinery of Assessment.

9. The income-tax authorities under the present law are the "Chief

Revenue Authority", the "Commissioner" and the "Collector," designations adopted at a time when the whole of the income-tax work was done by the ordinary revenue staff in addition to their other duties. Owing to the increased employment of a whole time staff—for income-tax work, the use of these designations has given rise to considerable confusion, and it is proposed in the Bill that the income-tax authorities should have a nomenclature distinct from that of the land-revenue authorities. Chapter II of the Bill prescribes that the head of the income-tax department of a province shall be known as the Commissioner of Income-tax, the appellate authority as the Assistant Commissioner of Income-tax, and the assessing authority as the Assessor. The appointment of the income-tax staff is under the present Act vested in Local Governments. Since under rule 3 read with item 52 of Schedule I of the Devolution Rules made under the Government of India Act, "matters pertaining to a Central subject in respect of which powers have been conferred by or under any law upon a Local Government" are a Provincial subject, no question can be asked or discussion raised regarding such staff in the Central Legislature, but only in the Legislative Council of the province concerned. As the whole cost of the income-tax staff will in future be met by the Government of India, it is obviously desirable that all questions regarding such expenditure should be ventilated in the Central Legislature. References to the powers of the Local Governments are therefore omitted from the Bill. Except that clause 5 (2) provides that the Commissioner of Income-tax in each province shall be appointed by the Government of India after consideration of any representations made by the Local Government. While the appointment and dismissal of the rest of the staff is vested by clause 5 (3) of the Bill in the Commissioner of each province "subject to the control of the Governor-General in Council," it is proposed to utilise the agency of the Local Government for the exercise of that control and to provide in the agency rules that such staff shall be appointed and dismissed by the Commissioner of Income-tax subject to the approval of the Local Government. Although the Local Governments will meet no share of the cost of the staff, the smooth and efficient working of the department will be a matter of no little concern to Local Government; and it is considered that, though relieved of connection with the technical operations of the staff, they should have that measure of control which is indicated in the above proposals.

While the income-tax staff will as a rule be appointed in provincial cadres, there are certain classes of cases for which it may be advisable that assessments should be made by an all-India staff. Such for example are the cases of military officers and of officers of other departments serving directly under the Government of India who are liable to transfer throughout India. Suggestions have also been made that the assessment

in special cases like railway companies might be made by an officer dealing with all such cases for the whole of India. In clause 5 (4) provision is made for the appointment of officers in such cases.

10. Hitherto, the making of rules under the Acts, the interpretation of such rules and the general administration of the Acts have been left to Local Governments. This has led to a diversity both in the provisions of the rules themselves and in the interpretation of those provisions, where similar, in different provinces, and clause 58 of the Bill therefore provides that all rules shall be made by the Government of India. Since the technical administration of the tax will be in the hands of the Government of India, clause 64 of the Bill provides that the Government of India may establish an authority to which it may delegate all or any of its powers under the Bill.

11. Under section 51 of the present Act a reference on a question of law may be made to the High Court only if the Chief Revenue Authority sees fit. The Chief Revenue Authority is not required to make any such reference on the application of an assessee if it is satisfied that the application is frivolous or that a reference is unnecessary. In clause 66 of the Bill it is proposed that the Commissioner of Income-tax should no longer have power to withhold a reference on these grounds, but should be required to state a case to the High Court on the application of an assessee. In order to provide against frivolous and unnecessary applications, the clause contains a provision that every such application shall be accompanied by a fee of Rs. 100. In order to safeguard the revenue, the clause further provides that the fact that a case has been stated to the High Court shall in no way stop the collection of the tax from the assessee. An application for such reference may only be made after an appeal to the appellate income-tax authority has been disposed of. The head of the Income-tax Department retains the existing power to state a case to the High Court on his own motion.

12. Clause 53 amplifies the provisions of section 42 of the present Act in order to make more stringent the provisions relating to the disclosure of particulars regarding income-tax assessments. The present Act merely penalises the disclosure by a public servant of particulars contained in any statement or return furnished under the Act. Clause 53 further penalises the disclosure of any particulars contained in any accounts or documents produced under the Act or in any evidence given or deposition made in the course of proceedings under the Act or in any assessment record, and debars the Courts from requiring public servants to produce income-tax records or to give evidence respecting the same.

Procedure in regard to Assessments and Refunds.

13. The only extension of the system of collection at the source (apart from the case mentioned in paragraph 7 above) is in connection

with the tax on salaries. While the present Act makes it obligatory on persons paying "salaries" to the employees of Government, a local authority, a company or other public body or association to deduct income-tax from such salaries at the time of payment, private employers are not required to do so unless they have entered into an agreement with the income-tax authorities. Clauses 7 and 19 (2) of the Bill extend the statutory obligation to all private employers.

14. Clauses 23, 24, 29, 30 and 60 contain several amendments designed to simplify the procedure in connection with assessments. The present Act, for example, makes it obligatory on the Collector to call for accounts where he considers that the return made by an assessee is in any way incorrect even although he may not consider it necessary to call for any accounts and may wish to dispose of a case by a personal interview with the assessee or his representative. Further, the Collector is at present debarred from calling for accounts unless he first of all declares that a statement is incorrect or incomplete. Again, the Collector is compelled under the present Act to require the personal attendance of an assessee, while one section of the Act provides that an assessee may only be represented by a pleader before the Chief Revenue-authority if he does not appear in person. The Bill provides that the assessor shall not be required to call for accounts whether he considers it necessary or not, but may call for accounts whenever he considers it necessary, that an assessee shall not be required to attend in person or by a pleader, but may at any stage of the assessment proceedings either attend in person or be represented by a person duly authorised by him in writing.

15. Under the present Act a person who has failed to make a return or failed to comply with the terms of a notice under section 18 to produce accounts, has no power to appeal against an order of assessment unless he satisfies the appellate authority that he has not wilfully or knowingly failed to make a return or to comply with the terms of a notice. The result of this procedure is that the assessee has to go to the appellate authority and obtain an order for the re-opening of the case. In clauses 29 and 30 it is proposed to alter this procedure and to provide that the assessee in such cases may, within one month after the service on him of a notice of demand, go to the assessor direct and, if he satisfies him that he was prevented by sufficient cause from making a return, or that he did not have a reasonable opportunity to comply with the terms of a notice, the assessor may cancel the assessment and proceed to make a fresh assessment.

16. Under the provisions of the present Act the assessment or re-assessment of income which has escaped taxation or has been taxed at too low a rate, the correction of a mistake, or an application for a refund must be made within one year from the end of the year to which the claim

relates. This period has been found to be insufficient, and it is proposed in clauses 34, 35 and 49 of the Bill to extend the period to three years.

17. In order to simplify the procedure in connection with refunds, clauses 19 (9) and 21 make it obligatory upon persons deducting income-tax from interest on securities to issue to all security holders and upon companies distributing dividends to issue to shareholders, a certificate specifying the amount of tax deducted from the interest or paid or payable on the profits of the company. Rules relating to refunds at present are made by Local Government and apply only to the provinces in respect of which they have been made. Further, they usually provide that income-tax may only be refunded in the district in which the tax was actually paid. As stated in paragraph 10, it is proposed that all rules should be made by the Government of India, and in the refund rules it is proposed to provide that an assessee on production of the certificate aforesaid will be entitled to get a refund from the assessor of the district in which he is assessed, or of the district in which he resides if he is not assessed.

Relief from Double Income-tax.

18. Clause 48 of the Bill contains a provision for relief from double income-tax. At a conference between representatives of the Home Government and of the Dominions and of India an agreement was arrived at to the following effect: That in respect of income taxed both in the United Kingdom and in India there should be deducted from the appropriate rate of the United Kingdom income-tax (including super-tax) the whole of the rate of the Indian income-tax charged in respect of the same income, subject to the limitation that in no case should the maximum rate of relief given by the United Kingdom exceed one-half of the rate of the United Kingdom income-tax (including super-tax) to which the individual taxpayer might be liable and that any further relief necessary in order to confer on the tax-payer relief amounting in all to the lower of the two taxes (United Kingdom and India) should be given by India. That is to say, the proposal is that where income is liable to taxation both in the United Kingdom and in India, it should pay only at the highest rate leviable in either country. These proposals have been accepted by the Government of the United Kingdom and are embodied in section 27 of the Finance Act of 1920. Under that provision a person whose income is assessed both in the United Kingdom and in India is entitled to claim from the authorities of the United Kingdom a refund or rebate of the rate levied in India up to one-half of the English rate. Clause 48 of the Bill, therefore, provides that where any further relief is to be given in order to secure that such a person shall not pay a higher rate than the highest rate in either country, such relief will be given by India, subject to the limitation that the relief given in India shall not exceed half of the rate of

income-tax and super-tax combined. At present the Indian rates of income-tax and super-tax combined are less than half of the rates in the United Kingdom, and therefore no loss will at the outset be incurred by Indian revenues from this arrangement. Loss will only be incurred where, owing to any alteration in the rates, the Indian rate is more than half the English rate, and the loss would merely be the amount by which the Indian rate exceeds half the English rate.

19. The Bill contains a number of other alterations in and additions to the present law. These are, where comment appears to be necessary, discussed in the Notes on Clauses appended to this statement.

SIMLA :

The 16th September, 1921.

W. M. HAILEY.

NOTES ON CLAUSES.

Clause 4 (2).—The tax has been evaded in cases of income arising or accruing out of British India and received in British India by bringing in the said income at intervals and claiming that as such income is not received in British India in the year in which it arises or accrues out of British India, it is, when brought into British India, not income but accumulated profits or savings or capital. This new sub-clause has been inserted to prevent such evasion.

Clause 4 (3).—Section 3 (2) (vii) of the present Act (viz., 'Legacies') has been omitted from the Bill, as it has been claimed that annuities granted under a will are exempt under this sub-clause. Lump sum annuities are covered by sub-clause (vii) of the Bill. Sub-clause (ix) of section 3 (2) of the present Act (viz., 'Any perquisite or benefit which is neither money nor reasonably capable of being converted into money') has been omitted, as the existence of this provision makes it impossible under the present law to assess to income-tax rent-free residences in cases where the assessee has not the power to sub-let, while rent-free residences are liable to the tax where the assessee has the power to sub-let.

Clause 9.—A change is made in this clause for the purpose of providing for the assessment of premises let for business and also for the assessment of such premises as wharves, millyards, etc.

Clause 10 (2) (vi).—This clause provides that the rates of depreciation allowances approved of by the Government of India shall be fixed rates and not, as at present, maxima rates and shall apply to the whole of India. It further provides that depreciation at these rates shall be allowed

every year when there are sufficient profits, and only the excess of the depreciation allowance over the profits shall be carried forward from year to year until absorbed, and that this practice must be followed whether the depreciation allowance is adjusted in the accounts of the assessee or not and irrespective of the amounts shown in the accounts.

Clause 16 (2).—This sub-clause and sub-clause (4) of clause 19 have been added in order to make it clear that where income-tax is deducted at the source, it is the gross amount of the income (including the tax deducted) which is to be taken into account in determining the rate at which an assessee should be liable to income-tax on the rest of his income and also his income for liability to super-tax.

Clause 19 (2).—An addition has been made here in order to allow of the rectification by the person deducting income-tax from salary of mistakes in any previous deduction.

Clause 31.—The words 'and fixing such time for payment as he thinks fit' in section 22 of the present Act have been omitted, as they have given rise to confusion. Clause 44 of the Bill gives power to the assessor to determine the dates for payment.

Clause 33.—The provisions of section 24 of the Act have been amended in order to make it clear that the penalty imposed under this sub-clause is not income-tax.

Clause 34.—An amendment has been made in order to make it clear that all the assessor is required to do within the statutory period is to institute proceedings for the assessment or re-assessment.

Clause 35.—Amendments have made in order to allow the assessor to rectify mistakes of his own motion as well as on the application of the assessee, to provide that he shall rectify his mistake when it is brought to his notice by an assessee, and to make it clear that the word 'mistake' refers only to a mistake which is patent from the facts or documents which were before the assessor when he passed the original assessment order, and that this clause does not confer a general power of review or authorise any assessee to introduce new facts.

Clause 36.—This clause has been inserted, as it is proposed to eliminate fractions of an anna from public accounts.

Clause 38 (3).—This is a new provision empowering the assessor to require information to be given regarding specific payments shown in the accounts of an assessee where there is reason to believe that such payments will become liable to income-tax in the hands of the recipients.

Clause 42.—An addition has been made in sub-clause (1) in order to make it clear that a non-resident is liable to income-tax on receipts from

property and interest on securities, as well as on receipts from business, and also that in cases where a non-resident deals direct with separate agents of separate branches in British India, the head of the income-tax department of a province shall have power to require the accounts of all the different branches to be amalgamated in order to avoid a loss of revenue.

Clause 45.—Amendments have been made in order to differentiate between the power to impose and the power to collect a penalty and also in order to provide for the collection of income-tax by separate income-tax agency in the same way as municipal dues are collected, where a separate income-tax agency is entertained for this purpose and for the collection of income-tax through the revenue authorities in other cases.

Clause 47.—Changes have been made in sub-clause (2) of this clause for the purpose of making it clear that it is the amount of profits to which a partner is entitled, and not the amount of profits which he has actually removed from the possession of the firm which determines his personal liability to income-tax and his claim to a refund, while in sub-clause (3) an addition has been made to provide for the refund of income-tax to persons from whose salary income-tax has been deducted at too high a rate.

Clause 50 (d).—The provision in section 39 (d) of the present Act that a person who fails to attend when required by a notice under clause 24 commits an offence has been omitted.

Clause 52.—In view of the appointment of special income-tax staff, the power to sanction prosecutions has been removed from the assessor and conferred upon the appellate authority.

Chapter IX.—No change is proposed regarding the method of assessing and collecting super-tax other than the change in regard to unregistered firms referred to in paragraph 7 of the statement. The present Acts make the tax chargeable upon the "taxable income," but the definition of "taxable income" in section 3 of the Super-tax Act of 1920 is a somewhat confusing one and actually corresponds exactly to the definition of 'total income' in clause 16 of the Bill. It is therefore provided that the charge shall be on total income, and that the determination of total income for the purposes of income-tax shall be final and conclusive for the purposes of super-tax.

Clause 58.—Sub-clause (d) of section 43 (2) of the present Act which provides for rules being made to "provide for a system of composition of assessments and prescribe the conditions under which the assessor may enter into compositions with assessees as to their assessment" has been omitted as unnecessary.

Clause 62.—A slight change has been made in order to make it clear that a notice may be served in any of the manners provided for in the Code of Civil Procedure for the service of a summons,

Clause 63.—This clause has been slightly amplified in order to reproduce the provisions in section 2 (5) of the present Act as to the place at which an assessee shall be assessed, and also in order to show that the reference to the Government of India is not obligatory under this clause, but need only be made where the heads of the department in the different provinces concerned are unable to come to an agreement.

REPORT OF JOINT SELECT COMMITTEE.

Sub-clause (4) has been inserted in order to permit of inquiries being made into the profits of a branch business by the assessor of the place in which the branch is situated.

Clause 1 (2).—We have amended the extent clause of the Bill by the addition of the words “British Baluchistan and,” as we agree with the recommendation of the All-India Income-tax Committee that the provisions of the Bill should be extended in full to British Baluchistan.

Clause 2 (1).—We have amended the provisions of this sub-clause in order to make it clear that rent or revenue derived from land used for agricultural purposes is exempt from income-tax only in cases where the land is assessed to land revenue by an authority in British India or subject to a local rate assessed and collected by an authority in British India, and that the exemption does not apply to cases where the land pays revenue or local rate to authorities outside British India. We have amended sub-clause (b) of this clause also in order to make it clear that the limitation in clause (a) applies also to the incomes specified in clause (b), so that income derived from agriculture will only be exempt if the agriculture is in respect of land on which land revenue or local rate is paid to an authority in British India. We have omitted from this definition the words ‘but does not include income derived from forestry’.

We have considered the suggestion of the Bengal Chamber of Commerce that the tea industry should not be taxed unless and until agricultural income generally is brought under taxation but we cannot recommend any change in the present position. We recognise the difficulties involved in the separation of industrial from purely agricultural profits, but we think it must be left to the revenue authorities to discover a suitable formula.

A suggestion has been made that income from rent or revenue derived from land which is used for agriculture should no longer be exempt from income-tax, but we consider that this is not a matter that should be dealt with by this Committee.

Clause 2 (2).—We consider that the charging section (section 3 of the Act) should definitely lay down who the persons and associations are

who are liable to income-tax and that this information should not have to be extracted from a persual of the charging section read with this definition. We have amended the Bill accordingly.

Clause 2 (2) [*now clause 9 (7)*].—We have considered various objections raised regarding the nomenclature proposed for the income-tax authorities but consider that the designations proposed are suitable except in the case of “assessor”. The use of this word is likely to lead to some confusion and we would replace it by the designation “Income-tax Officer.”

Clause 2 (8).—Of the Bill containing a definition of ‘local authority’ we have omitted as unnecessary.

Clause 2 (9).—We have inserted a new definition in order to make it clear that the word “person” when used, *e.g.*, in clause 22 (2) of the Bill includes a Hindu undivided family.

Clause 2 (14).—We have considered at length the objections raised to the proposal contained in the Bill to abolish the distinction between registered and unregistered firms by assessing the profits of all partnerships or firms at the highest rate, the assessor being left in each case to determine from the papers and accounts produced whether a firm or partnership exists or not. We have come to the conclusion that the proposal would create very great hardship and give rise to numerous complaints if income-tax were levied at the maximum rate on the profits of small firms or partnerships and while we recognise the merits of the proposal made under the Bill we think that these are outweighed by the hardship that would be inflicted on the smaller assesseees. We have therefore replaced in the Bill the distinction in the present Act between a registered and unregistered firm, income-tax on the registered firm to be levied at the maximum rate and the tax on the unregistered firm to be levied on a graded scale according to the amount of income.

We have however returned to the original definition of a registered firm contained in Act of 1918, viz., a firm constituted under a registered instrument of partnership specifying the individual shares of the partners. The amended definition of a registered firm which was introduced by section 2 of Act XVII of 1920, as being a firm registered with the Collector in the prescribed manner has not been taken advantage of to any great extent, and while different rules have been made in different provinces prescribing how a firm may be registered, in actual practice the old system has largely been retained of requiring a registered instrument of partnership.

New clause 2 (13).—We have introduced a definition of the expression ‘public servant’ in order to make it clear that this phrase as used in clause 53 (now clause 54) of the Bill includes all income-tax employees and is not restricted to the particular authorities mentioned in clause 5 (1). For

the same reason we have made consequential changes in clause 5, in particular omitting sub-clause (6) of that clause.

Clause 3.—We agree to the proposal contained in the Bill to abolish the adjustment system on the condition, which is provided for in clause 68 of the Bill, that the assessments made in the current year shall be adjusted. This course we consider preferable to the proposal made by one Chamber of Commerce that the assessments of the current year should be adjusted against the income of the year 1917-18 which escaped taxation owing to the introduction of the existing system. This latter course we consider to be impracticable.

There is however one point regarding the change of system which involves a slight alteration in the Bill. We consider that the Act of 1886, while basing the tax on the income of the preceding year, did not introduce a system of assessing and collecting the tax on the income of the preceding year in arrear but introduced a tax on current income providing at the same time, for purposes of convenience, that in the case of income derived from a business or profession the profits of the preceding year were to be taken as the statutory income of the current year. It was for this reason that the Act of 1886 contained a clause providing for the adjustment of an assessment on the previous year's income to an assessment on the current year's income in the case of trades and businesses where owing to the death or insolvency of the assessee, or owing to any specific cause, the assessee was deprived of, or lost the income on which the assessment was made. The point is however a purely academic one except in the case of businesses which have been taxed under the existing Act. The abolition of the adjustment system means that in the case of those particular businesses tax will have to be paid on the profits of one year more than under the old system. We consider that the case of these businesses should be specially provided for and we have therefore amended clause 26 (now clause 25 of the Bill) by limiting the provisions of sub-clause (1) of that clause to businesses, professions or vocations which will be taxed for the first time under the provisions of the Bill and introducing a new sub-clause (3) providing for an adjustment in the case of businesses, professions or vocations which have been taxed under the present Act in the year in which they close down.

We have considered the suggestion that a distinction should be drawn between business or professional profits and fixed receipts such as salaries and interest on securities by taxing income from the former source on the basis of the income of the preceding year and income from the latter source on the basis of the income of the current year. We are satisfied that very little difficulty is likely to be experienced in connection with the system proposed in the Bill and that considerable confusion would be created if, for income-tax purposes, a part of a man's income was taken to be the

current year's income and another part to be the income of another year. We therefore make no change.

Income-tax will already have been deducted in the current year from salaries and interest on securities at the time of payment and while the change of system has the result of making persons drawing income from these sources technically liable in 1922-23 to pay the tax again on the income from these sources in 1921-22, we consider that this can be avoided by the issue of departmental instruction.

Clause 4 (2).—We agree with the criticisms brought against the provisions of this clause that it goes much further than the object aimed at in the Statement of Objects and Reasons, and, in particular, that it makes no distinction between capital and income. We have, therefore, amended the sub-clause in order to restrict its application to the case of business profits or gains which are received or brought into British India within three years of the year in which they arose or accrued in a place outside British India to a person resident in British India when they arose or accrued.

Clause 4 (3).—Some misapprehensions have been aroused by the omission of section 3 (2) (vii) of the present Act, viz., 'legacies'. Lump sum legacies are, however, clearly exempt under clause (vii) of this sub-clause. We have considered the question of whether the Bill makes it perfectly clear that in the case of all trusts there will not be double taxation, that is once in the hands of the trustee and once in the hands of beneficiary. We are satisfied that clauses 40 and 41 of the Bill, which provide for the trustee in particular cases being liable for the tax in place of the beneficiary make it clear that it is only in such cases that a trustee can be required to pay the tax.

We agree with the proposal in the Bill to omit sub-clause (ix) of section 3 (2) of the present Act (viz., 'any perquisite or benefit which is neither money nor reasonably capable of being converted into money'), in order to avoid inequalities in assessments due to the existence of this provision in the present Act. We consider, however, that departmental instructions should be issued that in the case of rent-free houses the annual value of such houses to the occupier should in no case be deemed to be more than 10 per cent. of the salary in the case of salaried persons.

Clause 5.—We agree with the views of the All-India Committee that, since the making of rules under the Act, the interpretation of such rules, and the general administration of the Act will be in the hands of the Government of India, it is necessary that the Government of India should establish an authority for the purpose of discharging these functions. Clause 64 of the original Bill, however, merely provided that the Governor-General in Council might delegate all or any of his powers under the Bill

to such authority as he might specify in a notification, and we consider that the constitution of the authority to exercise these powers should be definitely provided for in the Bill which should also specify the particular powers that are to be vested in that authority. We have considered various proposals regarding the name to be given to this authority, and have come to the conclusion that the most suitable name is the Board of Inland Revenue. This however, does not mean that the authority must consist of more persons than one and we have therefore provided that the Board shall consist of one or more persons appointed by the Governor-General in Council, while throughout the Bill we have distinguished in various clauses between the powers that we consider should be reserved by the Governor-General in Council and those that should be vested by statute in the Board of Inland Revenue.

A complete whole-time staff for income-tax work has not yet been appointed in many of the provinces and it is necessary to provide, until such whole-time staff is engaged, for the continuance of the existing system under which various officers exercise the powers of an assessing authority in respect of particular classes of income and of an appellate authority in respect of others. This we have provided for in sub-clause (4) of this clause.

As regards the control of Local Governments, we agree to the proposals contained in a draft letter under which the appointment of Assistant Commissioners and Income-tax Officers will be subject to the approval of the Local Governments, and any such officers dismissed by the Income-tax Commissioner will have a right of appeal to the Local Government.

Clause 8.—We have inserted a proviso in order to cover the peculiar case of securities issued by a Local Government income-tax free. This income-tax on such securities is payable by the Local Government itself.

We recommend that executive instructions should be issued that where an assessee with an income from securities has obtained a loan from a bank for purchasing those securities, he may on obtaining a banker's certificate as to the amount of the interest on his loan set off the interest that he pays against the interest that he earns from the securities.

Clause 9.—In order to remove misapprehensions caused by the insertion of the words "or lands" in this clause, we have restricted the meaning of these words to lands attached to buildings. The income derived from vacant lands let out in urban areas for the purposes of storing materials, etc., will under the provisions of the Bill be liable to tax under clause 12.

We have inserted a proviso to sub-clause (1) to secure that the aggregate of the allowances made under that sub-clause shall in no case exceed

the annual value. This is necessary owing to the new provision in clause 24 allowing a set off of loss under one head against profits under another.

In the proviso to sub-clause (2) we have replaced the word "aggregate" by the word "total" in order to make it clear that it is only the income of the recipient liable to taxation under the Bill that is to be taken into account and not his income from non-taxable sources.

We agree that no deduction account of municipal or local taxes should be allowed in this clause. We are unable to accept the suggestion that the maxima to be allowed under sub-clause (vi) and the allowance for vacancies under sub-clause (vii) should be prescribed in the Bill.

Clause 10.—We are opposed to the proposal that losses in business should be carried forward and set against profits of succeeding years.

We agree with the All-India Income-tax Committee that it is not advisable to insert any provision in the Bill allowing bad debts as a business deduction since 'bad debts' occur only where the mercantile system of accounting is adopted. Departmental instructions should, however, be issued to provide for an allowance being given for bad debts when they are consistent with the system of accounts adopted by the assessee.

We are unable to accept the proposal that amounts transferred to a reserve intended for the purposes of internal insurance should be allowed as a business expense.

We do not consider it advisable to insert any provision in the Bill allowing as a business deduction insurance against the loss of profit. Departmental instructions should, however, be issued that where the owner of a business asks for any such allowance, it should be given on the assessee agreeing to pay income-tax on the amount recovered from the insurance company. Similar instructions should be issued regarding insurance against loss of rent under clause 9.

We are opposed to the proposal that the rates of depreciation fixed under this clause should vary in different parts of India according to local conditions.

In sub-clauses (2) (v) and (2) (vi) we have inserted the word 'furniture', as we consider that the repair and depreciation of furniture are a legitimate business expense. As regards depreciation, however, departmental instructions should be issued that the depreciation allowance should be granted only in cases in which it is asked for, in which case the cost of replacement should not be allowed, and that where this depreciation allowance is not asked for, the cost of replacement should be allowed.

In sub-clauses (2) (vi) (c) and (2) (vii) we have made provision for the depreciation allowances granted under the Act of 1886.

We are unable to agree to the proposal that depreciation allowances should be further extended so as to provide for the amortisation of capital sums paid on account of the purchase, for example, of the lease of a mine or for the depreciation of wasting assets, such as coal. We consider, however, that depreciation might be allowed for sinking shafts, tramways, and sidings, but no specific provision is required in the Bill as it appears to be covered by the word 'plant'.

We have further amended the provisions of sub-clause (2) (vii) in order to make it clear that the allowance to be granted under this sub-clause is a pure obsolescence allowance and is not to be granted where machinery or plant is sold for reasons other than obsolescence.

We are unable to accept the suggestion that taxes paid to municipal or other local authorities, other than the taxes levied in respect of the premises used for the purposes of the business, should be allowed as a business expense.

We do not consider it advisable to make any specific provision regarding the deductions to be allowed on account of the contributions of employers to private provident funds of companies and firms. We consider, however, that the practice should be that such contributions should be allowed in cases where the funds are irrevocable trusts and where the employers' contributions cannot under any circumstances be recovered by the employers.

Clause 13.—Questions have been propounded in connection with this clause as to what the 'method of accounting regularly employed by the assessee' will be considered to be in cases where the various branches of a business are only closed down once in three or five years or where it is the custom amongst certain merchants to prepare their accounts on the basis of the mercantile accountancy system in respect of transactions between themselves and members of their own community and on the basis of cash payments in the case of transactions between themselves and their customers. It is impossible to provide in the Bill for all the different classess of cases. As regards the two particular cases quoted, we are of opinion that, on the facts as stated to us, in the former case a business might be assessed either on the average profits of the branches as disclosed from the accounts last filed or on the actual profits brought to account owing to particular branches closing down in particular years, and that in the latter case the accounts system might be considered to be "the method regularly employed," provided that the same system is continuously employed.

We have considered the proposals for the insertion of a definite provision in this clause that where an assessee changes his system of accounting, the Income-tax Officer should have power to secure that no profits escape

taxation on account of the change, and that it should be definitely laid down that the assessee may change his system of accounting with the permission of the Income-tax Officer subject to such conditions as the Income-tax Officer may prescribe, in which latter case an appeal should be allowed against his order to the Assistant Commissioner. We consider that both these suggestions are fully covered by the proviso to this clause which enables the Income-tax Officer to reject the new system in the year of change if in his opinion the income, profits and gains to be taxed in the year of change cannot be correctly deduced therefrom and that clause 30 clearly provides for the decision of the Income-tax Officer being contested in an appeal against the assessment itself.

Clause 14.—We have amended this clause in order to make it clear that the income which an individual member of a Hindu undivided family derives from the undivided family shall not be taken into account in the assessment of that individual to super-tax. We have also restored the provisions of the present Act which prescribe that an individual is not liable to pay tax on income that he derives from a company or firm only in cases where the profits of the company or firm have themselves been assessed to income-tax. This is necessary in order to provide for cases where dividends are drawn from a non-Indian company.

We have further amended the provisions of sub-clause (c) [now sub-clause (2) (b)] of clause 14 in order to make it clear that where a partnership deed provides that the partners may not remove more than a certain proportion of the profits in any year, or that a certain proportion of the profits must be distributed in charity, the amount to be taken into consideration in fixing the total income of a partner both for purposes of super-tax and for the purpose of determining the rate at which he is to be assessed on his other income shall be his proportionate share of the whole of the assessable profits of the firm.

Clause 15.—We have amended this clause for the purpose of securing that in the case of a Hindu undivided family the premia paid for insurance on the life of other members than the head of the family shall be allowed.

Clause 17.—We have omitted clause 17 of the original Bill which provided that income-tax is to be charged at the maximum rate in the case of companies and firms, as we consider that this provision can more suitably be inserted in the Finance Act. We have received various suggestions for an alteration of the system of graduation of income-tax, but this again is a question which we consider should be brought up in connection with the Finance Bill and not with this Bill.

Clause 19 (now clause 18).—We have amended sub-clause (2) in order to provide that deductions from salary shall approximate as closely as possible to the appropriate rate; the provision in the present Act and the

original Bill that where a sum received is a non-recurring item it should be taxed at the rate appropriate to that particular sum as if it were the whole of the assessee's income having given rise to a considerable amount of unnecessary trouble to assesseees. We have also altered the proviso to this sub-clause in order to make it clear that excess collections in previous deductions may be corrected in subsequent deductions.

As regards sub-clause (3) we have considered the complaints that have made about the hardship involved to assesses having an income derived from securities owing to the interest on such securities being taxed at the maximum rate at the source. Many of the difficulties in connection with refunds will be removed by the provisions in the Bill requiring a certificate to be given by the person deducting income-tax from interest on securities that income-tax has been deducted, and the proposal that the rules regarding refunds should provide that an assessee may get a refund in the district in which he is assessed or in the district in which he resides and should not be required to obtain a refund in the district in which the tax was originally deducted, and that the certificate should be taken as conclusive evidence of the payment of the tax. We think, however, that in addition to this Departmental instructions should be issued that in cases where the income-tax Officer is satisfied that a person has no income other than income from Government securities, he may issue a certificate authorising the deduction to be made at the rate appropriate to such person's total income from those securities, and in cases where the Income-tax Officer is satisfied that the holder of Government securities has no taxable income, a certificate might be issued to that effect, so that the officer paying the interest on the securities should deduct no tax at the source. Such certificates, we consider, should remain in force until they are cancelled, and should not be required to be renewed annually.

We have considered the suggestion that in sub-clause (7) a provision should be inserted making it clear that an employer who has accidentally not deducted the full amount of tax from an employee's salary has a right to recover from the employee any amount that he has to pay on account of such short deduction. No such provision appears to be necessary, as every person who pays money on account of another has a right of recovery.

We have discussed at length the arguments for and against the provisions in the Bill making it obligatory on all employers to deduct income-tax from their employees' salary under this sub-clause and to make a return under clause 22 (now clause 21) of their employees and their salaries, and have agreed by a majority that the clauses as drafted should be retained.

Clause 20 (now clause 19).—We have amended this clause in order to provide for income-tax being direct by the assessee in cases where the employer or the person paying the interest on securities does not reside in

British India and in cases where owing to the assessee's salary being less than Rs. 2,000 income-tax has not been deducted.

Clause 21 (now clause 20).—We have omitted the provision requiring the principal officer to state in the certificate to be issued under this clause the amount of the tax paid or to be paid and the rate at which it has been or is to be paid, since in numerous cases it will be impossible to say what rate of tax has been or will be levied on the profits out of which the dividends are paid. We consider that it should be assumed in connection with such certificates that the tax has been levied at the rate current on the date on which the dividends were declared, and this we have provided for by an amendment of clause 47 (1) [now clause 48 (1)] of the Bill.

Clause 22 (now clause 21).—We consider that the period of 15 days prescribed in this clause is too short and would extend it to 30 days.

Difficulties have been experienced in connection with the provision that the principal officer of a company must furnish a return even in cases where a company conducts business at different centres and where a return is required by the local Income-tax Officer. We have amended the clause in order to provide for persons other than the principal officer being required to make a return to suit the convenience of the company.

Clause 23 (now clause 22).—The suggestions that the form to be prescribed should enable an assessee to show a loss if a loss has been incurred, and that the declaration to be signed by the assessee should be altered to conform with the new phraseology in the Bill [viz., "income, profits and gains of every kind and from every source to which the Act applies"] have our approval, and are recommended for adoption in framing the form under the rule-making power. We have provided that the period under sub-clause (2) shall not be less than thirty days.

We have inserted a new sub-clause (3) providing that where a person has not furnished a return in due time or having furnished a return discovers any omission or wrong statement therein, he may furnish a return or revised return before the assessment is made, so that where such a return or revised return has been made, the assessee may not be prosecuted for failing to submit the original return and may not be penalised for making a wrong statement in the original return.

We have also inserted a proviso to sub-clause (3) [now sub-clause (4)] preventing the Income-tax Officer from calling upon an assessee to produce books of account going back for a period of more than three years prior to the accounting period. We agree, however, that no such limitation can be placed upon the power to call for documents.

Clause 24 (now clause 23).—We do not accept the suggestion made that a copy of the order of assessment under this clause must in all

cases be given to the assessee. We agree with the All-India Income-tax Committee that it is sufficient that departmental instructions should be issued that any assessee who desires may have a copy of the order free of charge.

Clause 25 (now clause 24).—We have inserted at the end the words “in that year” for the purpose of clearness.

We have inserted a new sub-clause (2) in order to allow partners in a registered firm to set off their share of the loss incurred by the firm against their income from other sources.

Clause 26 (now clause 25).—The more important changes in this clause have already been explained under clause 3. We have further amended sub-clause (1) in order to make it clear that the income to be taxed is the income accruing between the end of the last year of which the profits have been taxed and the date of discontinuance of the business.

We have retained the provisions of sub-clause (2) with the modification that a person should be required *not* to give a notice before he discontinues but to give notice within fifteen days after the discontinuance. We have also replaced the words ‘not exceeding’ by the words ‘equivalent to,’ as we consider that a maximum and not a fixed penalty should be provided for.

Doubts have been expressed as to whether it is clear that the rate to be applied in taxing a discontinued business under sub-clause (1) is the rate in force in the year in which the assessment is made. We consider that this is sufficiently clear in the clause as drafted.

Clause 27 (now clause 26).—We have made some drafting changes in this clause, and we consider that the clause as now drafted meets the doubts expressed as to whether it covers the case of a company succeeding another company, since the word ‘person’ under the definition in the General Clauses Act includes a company.

Clause 29 (now clause 27).—We have altered the words “may cancel” to the words “shall cancel,” as we consider it should be obligatory on the Income-tax Officer to make a fresh assessment under such circumstances.

Clause 30.—We have replaced the phraseology “petition against assessment” by the word “appeal” as being more suitable. We have added to the particular orders against which an appeal may lie by including orders imposing a penalty under clause 24 (now clause 25), clause 33 (now clause 28) and against orders of an Income-tax Officer refusing to re-open a case under clause 29 (now clause 27).

In sub-clause (3) we have omitted the provision making it obligatory for a copy of the order in all cases to be filed with the appeal.

Clause 31.—We have amended this clause in order to make it clear that the Assistant Commissioner has power to remand a case to the Assessor for report or disposal on its merits and that the appellate authority is not required to pass orders on the actual date of hearing. We have also added a proviso that an Assistant Commissioner may not pass an order of enhancement unless the appellant has had an opportunity of showing cause against such enhancement.

Now clause 32.—In this new clause we have provided for an appeal lying to the Commissioner against the order of an Assistant Commissioner imposing a penalty for concealment of income under clause 28 or against an order enhancing an assessment in the course of an appeal under clause 31.

Clause 32 (now clause 33).—We have amended this clause in order to give the Commissioner the power of review over any proceedings taken by subordinate officers under the Bill. We do not consider that his power should be limited as at present to assessment proceedings. We have also made amendments to make it clear that the Commissioner need not necessarily in each case make a personal enquiry, but may cause an enquiry to be made by a subordinate officer.

A majority of us are not in favour of the proposal that the Commissioner in exercising his power of review should be assisted by two non-official Assessors.

Clause 33 (now clause 28).—We have amended the clause in order to provide that the Commissioner shall have these powers. We have substituted the words “not exceeding” for the words “equal to” as we consider that the penalty to be prescribed should be a maximum and not a fixed one.

Clause 34.—The majority of us are of opinion that the period of three years prescribed in this clause should be reduced to one year, the same reduction being made in the period prescribed in clauses 35 and 49 (now clause 50).

We have made further drafting changes in the Bill in order to make it clear that the provisions of this clause read with clause 68 enable the Income-tax authorities in the year 1922-23 to make an adjustment in the case of persons who were not assessed in the year 1921-22 or were declared provisionally not liable.

We have added a proviso so that there may be no doubt that the rate applicable to assessments or re-assessments made under this clause shall be the rate in force at the time when the income should have been assessed.

Clause 37.—We have amended the clause in order that the Commissioner may have these powers.

Clause 38.—We have amended sub-clause (1) in order to enable the Income-tax authorities to require the members of a Hindu undivided family to give the name of the manager. We have omitted sub-clause (3) as unnecessary since the Income-tax authorities have ample powers to disallow any payments shown in the accounts of an assessee where proof of the payment is not made.

Clause 39.—This clause is amended in order to provide that register of bond-holders and mortgage registers shall be open to inspection as well as the register of shareholders.

The question has been raised as to whether an Income-tax authority inspecting registers under this clause can be required to pay a fee under the provisions of the Companies Act. We are advised that as the provisions of this clause confer specific powers on Income-tax authorities they cannot be called upon to pay a fee under the Companies Act.

Clause 42.—We agree with the All-India Income-tax Committee that it is not possible to make any suitable definition of the phrases “business connection” or “agent”, but a special effort should be made to make the working of this clause uniform throughout India and to define the policy to be followed either by rules or executive instructions.

We omit from sub-clause (1) of this clause the words ‘or from the interest on any securities of the kind mentioned in section 8’, and also the words ‘or where there are more agents than one, in the name of such agent as the Commissioner shall determine’. We think that these provisions would give rise to more inconvenience than on the facts before us would be justified by the possible increase in receipts.

Clause 43.—We have inserted the words “or from whom such non-resident is in receipt of any income” in order to remove doubts that have arisen in particular cases of whether a business connection exists or not. We are not prepared to accept the proposal that the words “having any business connection with such person” should be amended in order to make it possible to treat as an agent a person who had a business connection with the non-resident at a period prior to the service of the notice.

New clause 44.—We have inserted this clause in order to make it clear that where a business or profession or vocation carried on by a firm is entirely discontinued the persons who are the members of the firm on the date of such discontinuance shall be liable to any tax due from the firm.

Clause 44 (now clause 45).—We have substituted the words “following the date of the service of the notice or order” for the words “following the date of the notice or order.”

Clause 48 (now clause 49).—This clause makes provision for relief in respect of double income-tax where income-tax is levied by the Income-tax authorities of the United Kingdom and of India upon the same income. We recommend that the Government of India should take up the question of making suitable arrangements with the Indian States and with the Straits Settlements for relief from double income-tax.

Clause 49 (now clause 50).—As the words “the year to which the claim relates” are vague, we have replaced them by the words “the year in which the tax was recovered.”

Clause 53 (now clause 54).—We have amplified sub-clause (1) in order to make proceedings for the recovery, as well as the assessment, of the tax confidential. We have added a proviso (c) to sub-clause (2) in order to extend the protection given by the proviso to any action of a public servant in pursuance of the provisions of the Bill or the rules made thereunder, such as the service of a notice by affixture.

Clause 54 (now clause 55).—We have considered the objections raised to the provisions of the present Act and the Bill relating to the super-tax on companies which result in portions of the profits of holding companies being taxed more than once. We are of opinion that the provisions of the Bill and the present Act should be retained but that if the rate of this tax is to be enhanced in future the Government of India should consider whether the whole basis of the method of assessment does not require revision.

Clause 56 (now clause 57).—As sub-clause (1) seems to go further than the intention expressed in the Statement of Objects and Reasons, we have added the words “in respect of such share” in order to make it clear that the resident partner is only liable for super-tax on the share as if it were the whole income of the non-resident.

We have amplified sub-clause (2) in order to make it clear that the principal officer has power to deduct the amount of the super-tax from the amount payable by the company to the assessee. We have also restricted the application of sub-clause (2) to cases where the principal officer is aware that the share-holder is non-resident. We are not prepared to accept the suggestion that sub-clause (2) should be amplified in order to provide for deduction at the source of super-tax on any sum which a non-resident may receive from a company by way of interest on debentures or remuneration such as Directors' fees.

Clause 58 (now clause 59).—We consider that the rules to be framed under the Bill should be made “after previous publication.” We agree that this should not apply to the first set of rules made under the Bill but

such set of rules should be shown for criticism to the members of this Committee before they are published.

Clause 59 (now clause 60).—We have considered the question raised in the letters of certain Chambers of Commerce regarding the equity of the levy of super-tax on the profits of feeder railway companies, but we consider that this is not a matter that can be dealt with in connection with this Bill.

Clause 61 (now clause 62).—We have amended this clause by omitting the reference to the Collector and the Assessor as collections are not in all (or even in many) cases made by these particular officers.

Clause 62 (now clause 63).—We have added a sub-clause (2) in order to make it clear upon whom a notice or requisition may be served in the case of firms and Hindu undivided families.

Clause 63 (now clause 64).—The amendments in sub-clauses (1) and (2) are for the purposes of making it clear that these clauses merely prescribe the particular Income-tax Officers who are to make the assessments and do not prescribe the locality in which assessments must be made. We have added the proviso to sub-clause (3) in order to secure that an assessee shall have had an opportunity of expressing his view before a decision is arrived at in cases of dispute.

Clause 66.—We have omitted sub-clause (7) of the original Bill which defines the meaning of the words “a question of the law” as being unduly restrictive. We have added a proviso to sub-clause (2) in order to enable an applicant to withdraw his application for reference to a High Court in cases where the Commissioner is himself prepared to give a ruling in his favour on the point of law raised.

In sub-clause (6) [now sub-clause (7)] we have omitted the words “if any.” We have further made provision in new sub-clause (3) that an assessee shall have power to apply to a High Court for a mandamus requiring the Commissioner to state a case in cases where the Commissioner declines to state a case.

Clause 68.—We have amended the second proviso in order to make it clear that the latter portion merely means that the procedure to be adopted in connection with an adjustment is the same as the procedure prescribed by the Bill for an assessment and that it does not mean that the rate to be charged in connection with the adjustment is the same as the rate of income-tax prescribed for the year in which the adjustment is made.

ACT No. XI OF 1922.

[PASSED BY THE INDIAN LEGISLATURE.]

*(Received the assent of the Governor-General on the
5th March, 1922.)*

An Act to consolidate and amend the law relating to Income-tax and Super-tax.

WHEREAS it is expedient to consolidate and amend the law relating to Income-tax and Super-tax; it is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Indian Income-tax Act, 1922.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas, and applies also, within the dominions of Princes and Chiefs in India in alliance with his Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, and to all other servants of His Majesty in those dominions.

(3) It shall come into force on the first day of April, 1922.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) “agricultural income” means—

(a) any rent or revenue derived from land which is used for agricultural purposes, and is either assessed to land revenue in British India or subject to a local rate assessed and collected by officers of Government as such;

(b) any income derived from such land by—

(i) agriculture, or

(ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or

(iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, in respect of which no process has been performed other than a process of the nature described in sub-clause (ii);

(c) any income derived from any building owned and occupied by the receiver of the rent or revenue of any such land, or occupied by the cultivator, or the receiver of rent-in-kind, of any land with respect to which, or the produce of which, any operation mentioned in sub-clauses (ii) and (iii) of clause (b) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue or the cultivator or the receiver of the rent-in-kind by reason of his connection with the land, requires as a dwelling-house, or as a store-house, or other out-building;

(2) "assessee" means a person by whom Income-tax is payable;

(3) "Assistant Commissioner" means a person appointed to be an Assistant Commissioner of Income-tax under section 5;

(4) "business" includes any trade, commerce, or manufacture or any adventure or concern in the nature of trade, commerce or manufacture;

(5) "Commissioner" means a person appointed to be a Commissioner of Income-tax under section 5;

(6) "company" means a company as defined in the Indian Companies Act, 1913,* or formed in pursuance of an Act of Parliament or of Royal Charter or Letters Patent, or of an Act of the Legislature of a British possession, and includes any foreign association carrying on business in British India whether incorporated or not, and whether its principal place of business is situate in British India or not, which the Board of Inland Revenue may, by general or special order, declare to be a company for the purposes of this Act;

(7) "Income-tax Officer" means a person appointed to be an Income-tax Officer under section 5;

(8) "Magistrate" means a Presidency Magistrate or a Magistrate of the first class, or a Magistrate of the second class specially empowered by the Local Government to try offences against this Act;

(9) "person" includes a Hindu undivided family;

(10) "prescribed" means prescribed by rules made under this Act;

(11) "previous year" means—

- (a) the twelve months ending on the 31st day of March next preceding the year for which the assessment is to be made, or, if the accounts of the assessee have been made up to a date within the said twelve months in respect of a year ending on any date other than the said 31st day of March, then at the option of the assessee the year ending on the day to which his accounts have so been made up:

Provided that, if this option has once been exercised by the assessee, it shall not again be exercised so as to vary the meaning of the expression "previous year" as then applicable to such assessee except with the consent of the Income-tax Officer and upon such conditions as he may think fit; or

- (b) in the case of any person, business or company or class of person, business or company, such period as may be determined by the Board of Inland Revenue or by such authority as the Board may authorise in this behalf;

(12) "principal officer," used with reference to a local authority or a company or any other public body or association, means—

- (a) the secretary, treasurer, manager or agent of the authority, company, body or association, or
- (b) any person connected with the authority, company, body or association upon whom the Income-tax Officer has served a notice of his intention treating him as the principal officer thereof;

(13) "public servant" has the same meaning as in the Indian Penal Code;*

(14) "registered firm" means a firm constituted under an instrument of partnership specifying the individual shares of the partners of which the prescribed particulars have been registered with the Income-tax Officer in the prescribed manner;

(15) "total income" means total amount of income, profits and gains from all sources to which this Act applies computed in the manner laid down in section 16; and

(16) "unregistered firm" means a firm which is not a registered firm.

CHAPTER I.

CHARGE OF INCOME-TAX.

3. Where any Act of the Indian Legislature enacts that income-tax shall be charged for any year at any rate or rates applicable to the total income of an assessee, tax at that rate or those rates shall be charged for that year in accordance with, and subject to the provisions of, this Act in respect of all income, profits and gains of the previous year of every individual, company, firm and Hindu undivided family.

4. (1) Save as hereinafter provided, this Act shall apply to all income, profits or gains, as described or comprised in section 6, from whatever source derived, accruing, or arising, or received in British India, or deemed under the provisions of this Act to accrue, or arise, or to be received in British India.

(2) Profits and gains of a business accruing or arising without British India to a person resident in British India shall be deemed to be profits and gains of the year in which they are received or brought into British India, notwithstanding the fact that they did not so accrue or arise in that year, provided that they are so received or brought in within three years of the end of the year in which they accrued or arose.

Explanation.—Profits or gains accruing or arising without British India shall not be deemed to be received or brought into British India within the meaning of this sub-section by reason only of the fact that they are taken into account in the balance sheet prepared in British India.

(3) This Act shall not apply to the following classes of income:—

(i) Any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes, and in the case of property so held in part only for such purposes, the income applied, or finally set apart for application, thereto.

(ii) Any income of a religious or charitable institution derived from voluntary contributions and applicable solely to religious or charitable purposes.

(iii) The income of local authorities.

(iv) Interest on securities which are held by, or are the property of, any Provident Fund to which the Provident Funds Act, 1897, applies, or any Provident Insurance Society to which the Provident Insurance Societies Act, 1912, is, or, but for an exemption under that Act, would be, applicable.

XI of 1897.
V of 1912.

- (v) Any capital sum received in commutation of the whole or a portion of a pension, or in the nature of consolidated compensation for death or injuries, or in payment of any insurance policy, or as the accumulated balance at the credit of a subscriber to any such Provident Fund.
- (vi) Any special allowance, benefit or perquisite specifically granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit.
- (vii) Any receipts not being receipts arising from business or the exercise of a profession, vocation or occupation, which are of a casual and non-recurring nature, or are not by way of addition to the remuneration of an employee.
- (viii) Agricultural income.

In this sub-section "charitable purpose", includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility.

CHAPTER II.

INCOME-TAX AUTHORITIES.

5. (1) There shall be the following classes of Income-tax authorities for the purposes of this Act, namely:—

- (a) a Board of Inland Revenue,
- (b) Commissioners of Income-tax,
- (c) Assistant Commissioners of Income-tax, and
- (d) Income-tax Officers.

(2) The Board of Inland Revenue shall consist of one or more persons appointed by the Governor-General in Council.

(3) There shall be a Commissioner of Income-tax for each province who shall be appointed by the Governor-General in Council after consideration of any recommendation made by the Local Government in this behalf.

(4) Assistant Commissioners of Income-tax and Income-tax Officers shall, subject to the control of the Governor-General in Council, be appointed by the Commissioner of Income-tax by order in writing. They shall perform their functions in respect of such classes of persons and such classes of income and in respect of such areas as the Commissioner of Income-tax may direct. The Commissioner may, by general or special order in writing, direct that the powers conferred on the Income-tax Officer and the Assistant

Commissioner by or under this Act shall, in respect of any specified case or class of cases, be exercised by the Assistant Commissioner and the Commissioner, respectively, and, for the purposes of any case in respect of which such order applies, references in this Act or in any rules made hereunder to the Income-tax Officer and the Assistant Commissioner shall be deemed to be references to the Assistant Commissioner and the Commissioner, respectively.

(5) The Board of Inland Revenue may, by notification in the Gazette of India, appoint Commissioners of Income-tax, Assistant Commissioners of Income-tax and Income-tax Officers to perform such functions in respect of such classes of persons or such classes of income, and for such area, as may be specified in the notification, and thereupon the functions so specified shall cease, within the specified area, to be performed, in respect of the specified classes of persons or classes of income, by the authorities appointed under sub-sections (3) and (4).

(6) Assistant Commissioners of Income-tax and Income-tax Officers appointed under sub-section (4) shall, for the purposes of this Act, be subordinate to the Commissioner of Income-tax appointed under sub-section (3) for the province in which they perform their functions.

CHAPTER III.

TAXABLE INCOME.

Save as otherwise provided by this Act, the following heads of income, profits and gains, shall be chargeable to income-tax in the manner hereinafter appearing, namely:—

Heads of income chargeable to income-tax.

- (i) Salaries.
- (ii) Interest on securities.
- (iii) Property.
- (iv) Business.
- (v) Professional earnings.
- (vi) Other sources.

7. (1) The tax shall be payable by an assessee under the head "Salaries" in respect of any salary or wages, any annuity, pension or gratuity, and any fees, commissions, perquisites or profits received by him in lieu of, or in addition to, any salary or wages, which are paid by or on behalf of Government, a local authority, a company, or any other public body or association, or by or on behalf of any private employer:

Provided that the tax shall not be payable in respect of any sum deducted under the authority of Government from the salary of any individual for the purpose of securing to him a deferred annuity or of making provision for his wife or children, provided that the sum so deducted shall not exceed one-sixth of the salary.

(2) Any income which would be chargeable under this head if paid in British India shall be deemed to be so chargeable if paid to a British subject or any servant of His Majesty in any part of India by Government or by a local authority established by the Governor-General in Council.

8. The tax shall be payable by an assessee under the head "Interest on securities" in respect of the interest receivable by him on any security of the Government of India or of a Local Government, or on debentures or other securities for money issued by or on behalf of a local authority or a company:

Provided that no income-tax shall be payable on the interest receivable on any security of the Government of India issued or declared to be income-tax free:

Provided, further, that the income-tax payable on the interest receivable on any security of a Local Government issued income-tax free shall be payable by that Local Government.

9. (1) The tax shall be payable by an assessee under the head "Property." *Property.* "property" in respect of the *bonâ fide* annual value of property consisting of any buildings or lands appurtenant thereto of which he is the owner, other than such portions of such property as he may occupy for the purposes of his business, subject to the following allowances, namely:—

- (i) where the property is in the occupation of the owner, or where it is let to a tenant and the owner has undertaken to bear the cost of repairs, a sum equal to one-sixth of such value;
- (ii) where the property is in the occupation of a tenant who has undertaken to bear the cost of repairs, the difference between such value and the rent paid by the tenant up to but not exceeding one-sixth of such value;
- (iii) the amount of any annual premium paid to insure the property against risk of damage or destruction;
- (iv) where the property is subject to a mortgage or charge or to a ground rent, the amount of any interest on such mortgage or charge or of any such ground rent;
- (v) any sums paid on account of land-revenue in respect of the property;

(vi) in respect of collection charges, a sum not exceeding the prescribed maximum;

(vii) in respect of vacancies, such sum as the Income-tax Officer may determine having regard to the circumstances of the case:

Provided that the aggregate of the allowances made under this subsection shall in no case exceed the annual value.

(2) For the purposes of this section, the expression "annual value" shall be deemed to mean the sum for which the property might reasonably be expected to let from year to year:

Provided that, where the property is in the occupation of the owner for the purposes of his own residence, such sum shall, for the purposes of this section, be deemed not to exceed ten per cent. of the total income of the owner.

10. (1) The tax shall be payable by an assessee under the head
Business. "Business" in respect of the profits or gains of any
business carried on by him.

(2) Such profits or gains shall be computed after making the following allowances, namely:—

- (i) any rent paid for the premises in which such business is carried on, provided that when any substantial part of the premises is used as a dwelling-house by the assessee, the allowance under this clause shall be such sum as the Income-tax Officer may determine having regard to the proportional part so used;
- (ii) in respect of repairs, where the assessee is the tenant only of the premises, and has undertaken to bear the cost of such repairs, the amount paid on account thereof, provided that, if any substantial part of the premises is used by the assessee as a dwelling-house, a proportional part only of such amount shall be allowed;
- (iii) in respect of capital borrowed for the purposes of the business, where the payment of interest thereon is not in any way dependent on the earning of profits, the amount of the interest paid;

Explanation—Recurring subscriptions paid periodically by shareholders or subscribers in such Mutual Benefit Societies as may be prescribed, shall be deemed to be capital borrowed within the meaning of this clause;

(iv) in respect of insurance against risk of damage or destruction of buildings, machinery, plant, furniture, stocks or stores, used

for the purposes of the business; the amount of any premium paid;

- (v) in respect of current repairs to such buildings, machinery, plant, or furniture, the amount paid on account thereof;
- (vi) in respect of depreciation of such buildings, machinery, plant, or furniture being the property of the assessee, a sum equivalent to such percentage on the original cost thereof to the assessee as may in any case or class of cases be prescribed:

Provided that—

- (a) the prescribed particulars have been duly furnished;
- (b) where full effect cannot be given to any such allowance in any year owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the allowance, the allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following year and deemed to be part of that allowance, or, if there is no such allowance for that year be deemed to be the allowance for that year, and so on for succeeding years; and
- (c) the aggregate of all such allowances made under this Act or any Act repealed hereby, or under the Indian Income-tax Act, 1886, shall, in no case, exceed the original cost to the assessee of the buildings, machinery, plant, or furniture, as the case may be;
- (vii) in respect of any machinery or plant which, in consequence of its having become obsolete, has been sold or discarded, the difference between the original cost to the assessee of the machinery or plant as reduced by the aggregate of the allowances made in respect of depreciation under clause (vi), or any Act repealed hereby, or the Indian Income-tax Act, 1886, and the amount for which the machinery or plant is actually sold, or its scrap value;
- (viii) any sums paid on account of land-revenue, local rates or municipal taxes in respect of such part of the premises as is used for the purposes of the business;
- (ix) any expenditure (not being in the nature of capital expenditure) incurred solely for the purpose of earning such profits or gains.

(5) In sub-section (2), the word "paid" means actually paid or incurred according to the method of accounting upon the basis of which the profits or gains are computed under this section.

11. (1) The tax shall be payable by an assessee under the head "Professional earnings" in respect of the profits or gains of any profession or vocation followed by him.

Professional earnings.

(2) Such profits or gains shall be computed after making allowance for any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such profession or vocation, provided that no allowance shall be made on account of any personal expenses of the assessee.

(3) Professional fees paid in any part of India to a person ordinarily resident in British India shall be deemed to be profits or gains chargeable under this head.

12. (1) The tax shall be payable by an assessee under the head "Other sources" in respect of income, profits and gains of every kind and from every source to which this Act applies (if not included under any of the preceding heads.)

Other sources.

(2) Such income, profits and gains shall be computed after making allowance for any expenditure (not being in the nature of capital expenditure) incurred solely for the purpose of making or earning such income, profits or gains, provided that no allowance shall be made on account of any personal expenses of the assessee.

13. Income, profits and gains shall be computed, for the purposes of sections 10, 11 and 12, in accordance with the method of accounting regularly employed by the assessee:

Method of accounting.

Provided that, if no method of accounting has been regularly employed, or if the method employed is such that, in the opinion of the Income-tax Officer, the income, profits and gains cannot properly be deduced therefrom, then the computation shall be made upon such basis and in such manner as the Income-tax Officer may determine.

14. (1) The tax shall not be payable by an assessee in respect of any sum which he receives as a member of a Hindu undivided family.

Exemptions of a general nature.

(2) The tax shall not be payable by an assessee in respect of—

(a) any sum which he receives by way of dividend as a share-holder

in a company where the profits or gains of the company have been assessed to income-tax; or

(b) such an amount of the profits or gains of any firm which have been assessed to income-tax as is proportionate to his share in the firm.

15. (1) The tax shall not be payable by an assessee in respect of any sums paid by him to effect an insurance of his own life or on the life of his wife, or in respect of a contract for a deferred annuity on his own life or on the life of his wife, or as a contribution to any Provident Fund to which the Provident Funds Act, 1897, applies, or to any Provident Fund which complies with the provisions of the Provident Insurance Societies Act, 1912, or has been exempted from the provisions of that Act.

Exemption in the case of life insurances.

IX of 1897.

V of 1912.

(2) Where the assessee is a Hindu undivided family, there shall be exempted under sub-section (1) any sums paid to effect an insurance on the life of any male member of the family or of the wife of any such member.

(3) The aggregate of any sums exempted under this section shall not, together with any sums exempted under the proviso to sub-section (1) of section 7, exceed one-sixth of the total income of the assessee.

16. (1) In computing the total income of an assessee sums exempted under the proviso to sub-section (1) of section 7, the provisos to section 8, sub-section (2) of section 14 and section 15, shall be included.

Exemptions and exclusions in determining the total income.

(2) For the purposes of sub-section (1), any sum mentioned in clause (a) of sub-section (2) of section 14 shall be increased by the amount of income-tax payable by the company in respect of the dividend received.

17. Where owing to the fact that the total income of any assessee has reached or exceeded a certain limit, he is liable to pay income-tax or to pay income-tax at a higher rate, the amount of income-tax payable by him shall, where necessary, be reduced so as not to exceed the aggregate of the following amounts, namely:—

Reduction of tax when margin above a certain limit is small.

(a) the amount which would have been payable if his total income had been a sum less by one rupee than that limit, and

(b) the amount by which his total income exceeds that sum.

CHAPTER IV.

DEDUCTIONS AND ASSESSMENT.

18. (1) Income-tax shall, unless otherwise prescribed in the case of any security of the Government of India, be leviable in advance by deduction at the time of payment in respect of income chargeable under the following heads:—

- (i) "Salaries"; and
- (ii) "Interest on securities."

(2) Any person responsible for paying any income chargeable under the head "Salaries" shall, at the time of payment, deduct income-tax on the amount payable at the rate applicable to the estimated income of the assessee under this head:

Provided that such person may, at the time of making any deduction, increase or reduce the amount to be deducted under this sub-section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct.

(3) The person responsible for paying any income chargeable under the head "interest on securities" shall, at the time of payment, deduct income-tax on the amount of the interest payable at the maximum rate.

(4) All sums deducted in accordance with the provisions of this section shall, for the purpose of computing the income of an assessee, be deemed to be income received.

(5) Any deduction made in accordance with the provisions of this section shall be treated as a payment of income-tax on behalf of the person from whose income the deduction was made, or of the owner of the security, as the case may be, and credit shall be given to him therefor in the assessment, if any, made for the following year under this Act:

Provided that, if such person or such owner obtains, in accordance with the provisions of this Act, a refund of any portion of the tax so deducted, no credit shall be given for the amount of such refund.

(6) All sums deducted in accordance with the provisions of this section shall be paid within the prescribed time by the person making the deduction to the credit of the Government of India, or as the Board of Inland Revenue directs.

(7) If any such person does not deduct and pay the tax as required by this section, he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(8) The power to levy by deduction under this section shall be without prejudice to any other mode of recovery.

(9) Every person deducting income-tax in accordance with the provisions of sub-section (3) shall, at the time of payment of interest, furnish to the person to whom the interest is paid a certificate to the effect that income-tax has been deducted, and specifying the amount so deducted, the rate at which the tax has been deducted, and such other particulars as may be prescribed.

19. In the case of income chargeable under any other head than those mentioned in sub-section (1) of section 18, and
Payment in other cases. in any case where income-tax has not been deducted in accordance with the provisions of that section, the tax shall be payable by the assessee direct.

20. The principal officer of every company shall, at the time of distribution of dividends, furnish to every person receiving a dividend a certificate to the effect that
Certificate by company to shareholders receiving dividends. the company has paid or will pay income-tax on the profits which are being distributed, and specifying such other particulars as may be prescribed.

21. The prescribed person in the case of every Government office, and the principal officer or the prescribed person
Annual return. in the case of every local authority, company or other public body or association, and every private employer shall prepare, and, within thirty days from the 31st day of March in each year, deliver or cause to be delivered to the Income-tax Officer in the prescribed form, a return in writing showing—

- (a) the name and, so far as it is known, the address, of every person who was receiving on the said 31st day of March, or has received during the year ending on that date, from the authority, company, body, association or private employer, as the case may be, any income chargeable under the head "Salaries" of such amount as may be prescribed;
- (b) the amount of the income so received by each such person, and the time or times at which the same was paid;
- (c) the amount deducted in respect of income-tax from the income of each such person.

22. (1) The principal officer of every company shall prepare, and, on or before the fifteenth day of June in each year,
Return of income. furnish to the Income-tax Officer a return, in the prescribed form and verified in the prescribed manner, of the total income of the company during the previous year;

Provided that the Income-tax Officer may, in his discretion, extend the date for the delivery of the return in the case of any company or class of companies.

(2) In the case of any person other than a company whose total income is, in the Income-tax Officer's opinion, of such an amount as to render such person liable to income-tax, the Income-tax Officer shall serve a notice upon him requiring him to furnish, within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner setting forth (along with such other particulars as may be provided for in the notice) his total income during the previous year.

(3) If any person has not furnished a return within the time allowed by or under sub-section (1) or sub-section (2), or having furnished a return under either of those sub-sections, discovers any omission or wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made, and any return so made shall be deemed to be a return made in due time under this section.

(4) The Income-tax Officer may serve on the principal officer of any company or on any person upon whom a notice has been served under sub-section (2) a notice requiring him, on a date to be therein specified, to produce, or cause to be produced, such accounts or documents as the Income-tax Officer may require:

Provided that the Income-tax Officer shall not require the production of any accounts relating to a period more than three years prior to the previous year.

23. (1) If the Income-tax Officer is satisfied that a return made under section 22 is correct and complete, he shall
Assessment. assess the total income of the assessee, and shall determine the sum payable by him on the basis of such return.

(2) If the Income-tax Officer has reason to believe that a return made under section 22 is incorrect or incomplete, he shall serve on the person who made the return a notice requiring him, on a date to be therein specified, either to attend at the Income-tax Officer's office or to produce, or to cause to be there produced, any evidence on which such person may rely in support of the return.

(3) On the day specified in the notice issued under sub-section (2), or as soon afterwards as may be, the Income-tax Officer, after hearing such evidence as such person may produce and such other evidence as the Income-tax Officer may require, on specified points, shall, by an order in writing, assess the total income of the assessee, and determine the sum payable by him on the basis of such assessment.

(4) If the principal officer of any company or any other person fails to make a return under sub-section (1) or sub-section (2) of section 22, as the case may be, or fails to comply with all the terms of a notice issued under sub-section (4) of the same section or, having made a return, fails to comply with all the terms of a notice issued under sub-section (2) of this section, the Income-tax Officer shall make the assessment to the best of his judgment.

24. (1) Where any assessee sustains a loss of profits or gains in any year under any of the heads mentioned in section 6, he shall be entitled to have the amount of the loss set off against his income, profits or gains under any other head in that year.

Set off of loss in computing aggregate income.

(2) Where the assessee is a registered firm, and the loss sustained cannot wholly be set off under sub-section (1), any member of such firm shall be entitled to have set off against any income, profits or gains of the year in which the loss was sustained in respect of which the tax is payable by him such amount of the loss not already set off as is proportionate to his share in the firm.

25. (1) Where any business, profession or vocation commenced after the 31st day of March, 1922, is discontinued in any year, an assessment may be made in that year on basis of the income, profits or gains of the period between the end of the previous year and the date of such discontinuance in addition to the assessment, if any, made on the basis of the income, profits or gains of the previous year.

Assessment in case of discontinued business.

(2) Any person discontinuing any such business, profession or vocation shall give to the Income-tax Officer notice of such discontinuance within fifteen days thereof, and, where any person fails to give the notice required by this sub-section, the Income-tax Officer may direct that a sum shall be recovered from him by way of penalty not exceeding the amount of tax subsequently assessed on him in respect of any income, profits or gains of the business, profession or vocation up to the date of its discontinuance.

(3) Where any business, profession or vocation which was in existence at the commencement of this Act, and on which tax was at any time charged under the provisions of the Indian Income-tax Act, 1918, is discontinued, no tax shall be payable in respect of the income, profits and gains of the period between the end of the previous year and the date of such discontinuance, and the assessee may further claim that the income, profits and gains of the previous year shall be deemed to have been the income, profits and gains of the said period. Where any such claim is made, an assessment shall be made on the basis of the income, profits and

VII of 1918.

gains of the said period, and if an amount of tax has already been paid in respect of the income, profits and gains of the previous year exceeding the amount payable on the basis of such assessment, a refund shall be given of the difference.

(4) Where an assessment is to be made under sub-section (1) or sub-section (3), the Income-tax Officer may serve on the person whose income, profits and gains are to be assessed, or, in the case of a firm, on any person who was a member of such firm at the time of its discontinuance, or, in the case of a company, on the principal officer thereof, a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 22, and the provisions of this Act shall, so far as may be, apply accordingly as if the notice were a notice issued under that sub-section.

26. Where any change occurs in the constitution of a firm or where any person has succeeded to any business, profession or vocation, the assessment shall be made on the firm as constituted, or on the person engaged in the business, profession or vocation, as the case may be, at the time of the making of the assessment.

Change in ownership of business.

27. Where an assessee or, in the case of a company, the principal officer thereof, within one month from the service of a notice of demand issued as hereinafter provided, satisfies the Income-tax Officer that he was prevented by sufficient cause from making the return required by section 22, or that he did not receive the notice issued under sub-section (1) of section 22, or sub-section (2) of section 23, or that he had not a reasonable opportunity to comply, or was prevented by sufficient cause from complying, with the terms of the last-mentioned notices, the Income-tax Officer shall cancel the assessment and proceed to make a fresh assessment in accordance with the provisions of section 23.

Cancellation of assessment when cause is shown.

28. (1) If the Income-tax Officer, the Assistant Commissioner or the Commissioner in the course of any proceedings under this Act, is satisfied that an assessee has concealed the particulars of his income, or has deliberately furnished inaccurate particulars of such income, and has thereby returned it below its real amount, he may direct that the assessee shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the amount of income-tax which would have been avoided if the income so returned by the assessee had been accepted as the correct income:

Penalty for concealment of income.

Provided that no such order shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard:

Provided, further, that no prosecution for an offence against this Act shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

(2) An Assistant Commissioner or a Commissioner who has made an order under sub-section (1) shall forthwith send a copy of the same to the Income-tax Officer.

29. When the Income-tax Officer has determined a sum to be payable by an assessee under section 23, or when an order has been passed under sub-section (2) of section 25 or section 28 for the payment of a penalty, the Income-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum so payable.

30. (1) Any assessee objecting to the amount or rate at which he is assessed under section 23 or section 27, or denying his liability to be assessed under this Act, or objecting to a refusal of an Income-tax Officer to make a fresh assessment under section 27, or to any order against him under sub-section (2) of section 25 or section 28, made by an Income-tax Officer, may appeal to the Assistant Commissioner against the assessment or against such refusal or order:

Provided that no appeal shall lie in respect of an assessment made under sub-section (4) of section 23, or under that sub-section read with section 27.

(2) The appeal shall ordinarily be presented within thirty days of receipt of the notice of demand relating to the assessment or penalty objected to, or of the date of the refusal to make a fresh assessment under section 27, as the case may be; but the Assistant Commissioner may admit an appeal after the expiration of the period if he is satisfied that the appellant had sufficient cause for not presenting it within that period.

(3) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

31. (1) The Assistant Commissioner shall fix a day and place for the hearing of the appeal, and may from time to time adjourn the hearing.

(2) The Assistant Commissioner may, before disposing of any appeal, make such further inquiry as he thinks fit, or cause further inquiry to be made by the Income-tax Officer.

(3) In disposing of an appeal the Assistant Commissioner may, in the case of an order of assessment,—

(a) confirm, reduce, enhance or annul the assessment, or

(b) set aside the assessment and direct the Income-tax Officer to make a fresh assessment after making such further inquiry

as the Income-tax Officer thinks fit or the Assistant Commissioner may direct, and the Income-tax Officer shall thereupon proceed to make such fresh assessment,

or, in the cases of an order under sub-section (2) of section 25 or section 28,

(c) confirm, cancel or vary such order:

Provided that the Assistant Commissioner shall not enhance an assessment unless the appellant has had a reasonable opportunity of showing cause against such enhancement.

32. (1) Any assessee objecting to an order passed by an Assistant Commissioner under section 28 or to an order enhancing his assessment under sub-section (3) of section 31, may appeal to the Commissioner within thirty days of the making of such order.

Appeals against orders of Assistant Commissioner.

(2) The appeal shall be in the prescribed form, and shall be verified in the prescribed manner.

(3) In disposing of the appeal the Commissioner may, after giving the appellant an opportunity of being heard, pass such orders thereon as he thinks fit.

33. (1) The Commissioner may of his own motion call for the record of any proceeding under this Act which has been taken by any authority subordinate to him or by himself when exercising the powers of an Assistant Commissioner under sub-section (4) of section 5.

Power of review.

(2) On receipt of the record the Commissioner may make such inquiry or cause such enquiry to be made and, subject to the provisions of this Act, may pass such orders thereon as he thinks fit:

Provided that he shall not pass any order prejudicial to an assessee without hearing him or giving him a reasonable opportunity of being heard.

34. If for any reason income, profits or gains chargeable to income-tax has escaped assessment in any year, or has been assessed at too low a rate, the Income-tax Officer may, at any time within one year of the end of that year, serve on the person liable to pay tax on such income, profits or gains, or, in the case of a company, on the principal officer thereof, a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 22, and may proceed to assess or reassess such income, profits or gains, and the provisions of this Act shall, so far as may be, apply accordingly as if the notice were a notice issued under that sub-section:

Income escaping assessment.

Provided that the tax shall be charged at the rate at which it would have been charged had the income, profits or gains not escaped assessment or full assessment, as the case may be.

35. (1) The Income-tax Officer may, at any time within one year from the date of any demand made upon an assessee, on his own motion rectify any mistake apparent from the record of the assessment, and shall within the like period rectify any such mistake which has been brought to his notice by such assessee:

Provided that no such rectification shall be made, having the effect of enhancing an assessment unless the Income-tax Officer has given notice to the assessee of his intention so to do and has allowed him a reasonable opportunity of being heard.

(2) Where any such rectification has the effect of reducing the assessment, the Income-tax Officer shall make any refund which may be due to such assessee.

(3) Where any such rectification has the effect of enhancing the assessment, the Income-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable, and such notice of demand shall be deemed to be issued under section 29, and the provisions of this Act shall apply accordingly.

36. In the determination of the amount of tax or of a refund payable under this Act, fractions of an anna less than six pies shall be disregarded, and fractions of an anna equal to or exceeding six pies shall be regarded as one anna.

Tax to be calculated to nearest anna.

37. The Income-tax Officer, Assistant Commissioner and Commissioner shall, for the purposes of this Chapter, have the same powers as are vested in a Court under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters, namely:—

Power to take evidence on oath, etc.
V of 1908.

- (a) enforcing the attendance of any person and examining him on oath or affirmation;
- (b) compelling the production of documents; and
- (c) issuing commissions for the examination of witnesses;

and any proceeding before an Income-tax Officer, Assistant Commissioner or Commissioner under this Chapter shall be deemed to be a "judicial proceeding" within the meaning of section 193 and 228 of the Indian Penal Code.

Power to call for information.

38. The Income-tax Officer or Assistant Commissioner may, for the purposes of this Act,—

- (1) require any firm, or Hindu undivided family to furnish him with a return of the members of the firm, or of the manager or adult male members of the family, as the case may be, and of their addresses;
- (2) require any person whom he has reason to believe to be a trustee, guardian, or agent, to furnish him with a return of the names of the persons for or of whom he is trustee, guardian, or agent, and of their addresses.

39. The Income-tax Officer or Assistant Commissioner, or any person authorised in writing in this behalf by the Income-tax Officer or Assistant Commissioner, may inspect and, if necessary, take copies, or cause copies to be taken, of any register of the members, debenture-holders or mortgagees of any company or of any entry in such register.

CHAPTER V.

LIABILITY IN SPECIAL CASES.

40. In the case of any guardian, trustee or agent of any person being a minor, lunatic or idiot or residing out of British India (all of which persons are hereinafter in this section included in the term beneficiary) being in receipt on behalf of such beneficiary of any income, profits or gains chargeable under this Act, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same amount as it would be leviable upon and recoverable from any such beneficiary if of full age, sound mind, or resident in British India, and in direct receipt of such income, profits or gains, and all the provisions of this Act shall apply accordingly.

41. In the case of income, profits or gains chargeable under this Act which are received by the Courts of Wards, the Administrators-General, the Official Trustees or by any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court, the tax shall be levied upon and recoverable from such Court of Wards, Administrator-General, Official Trustee, receiver or manager in the like manner and to the same amount as it would be leviable upon and recoverable from any person on whose behalf such income, profits or gains are received, and all the provisions of this Act shall apply accordingly.

42. (1) In the case of any person residing out of British India, all profits or gains accruing or arising, to such person, whether directly or indirectly, through or from any business connection or property in British India, shall be deemed to be income accruing or arising within British India, and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax:

Non-residents.

Provided that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person which are, or may at any time come, within British India.

(2) Where a person not resident in British India, and not being a British subject or a firm or company constituted within His Majesty's dominions or a branch thereof, carries on business with a person resident in British India, and it appears to the Income-tax Officer or the Assistant Commissioner, as the case may be, that owing to the close connection between the resident and the non-resident person and to the substantial control exercised by the non-resident over the resident, the course of business between those persons is so arranged, that the business done by the resident in pursuance of his connection with the non-resident produces to the resident either no profits or less than the ordinary profits which might be expected to arise in that business, the profits derived therefrom or which may reasonably be deemed to have been derived therefrom, shall be chargeable to income-tax in the name of the resident person who shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax.

43. Any person employed by or on behalf of a person residing out of British India, or having any business connection with such person, or through whom such person is in the receipt of any income, profits or gains upon whom the Income-tax Officer has caused a notice to be served of his intention of treating him as the agent of the non-resident person shall, for all the purposes of this Act, be deemed to be such agent:

Agent to include persons treated as such.

Provided that no person shall be deemed to be the agent of a non-resident person, unless he has had an opportunity of being heard by the Income-tax Officer as to his liability.

44. Where any business, profession or vocation carried on by a firm has been discontinued, every person who was at the time of such discontinuance a member of such firm shall be jointly and severally liable for the amount of the tax payable in respect of the income, profits and gains of the firm.

Liability in case of a discontinued firm or partnership.

CHAPTER VI.

RECOVERY OF TAX AND PENALTIES.

45. Any amount specified as payable in a notice of demand under section 29 or an order under section 31 or section 32 or section 33, shall be paid within the time, at the place and to the person mentioned in the notice or order, or if a time is not so mentioned, then on or before the first day of the second month following the date of the service of the notice or order, and any assessee failing so to pay shall be deemed to be in default, provided that, when an assessee has presented an appeal under section 30, the Income-tax Officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

46. (1) When an assessee is in default in making a payment of income-tax, the Income-tax Officer may in his discretion direct that, in addition to the amount of the arrears, a sum not exceeding that amount shall be recovered from the assessee by way of penalty.

(2) The Income-tax Officer may forward to the Collector a certificate under his signature specifying the amount of arrears due from an assessee, and the Collector, on receipt of such certificate, shall proceed to recover from such assessee the amount specified therein as if it were an arrear of land-revenue.

(3) In any area with respect to which the Commissioner has directed that any arrears may be recovered by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the province, the Income-tax Officer may proceed to recover the amount due by such process.

(4) The Commissioner may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under subsection (3).

(5) If any assessee is in receipt of any income chargeable under the head "Salaries," the Income-tax Officer may require any person paying the same to deduct from any payment subsequent to the date of such requisition any arrears due from such assessee, and such person shall comply with any such requisition, and shall pay the sums so deducted to the credit of the Government of India, or as the Board of Inland Revenue directs,

(6) The Local Government may direct, with respect to any specified area, that income-tax shall be recovered therein, with, and as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

(7) Save in accordance with the provisions of sub-section (1) of section 42, no proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of one year from the last day of the year in which any demand is made under this Act.

47. Any sum imposed by way of penalty under the provisions of sub-section (2) of section 25, section 28 or sub-section (1) of section 46, shall be recoverable in the manner provided in this Chapter for the recovery of arrear of tax.

Recovery of penalties.

CHAPTER VII.

REFUNDS.

48. (1) If a share-holder in a company who has received any dividend therefrom satisfies the Income-tax Officer that the rate of income-tax applicable to the profits or gains of the company at the time of the declaration of such dividend is greater than the rate applicable to his total income of the year in which such dividend was declared, he shall, on production of the certificate received by him under the provisions of section 20, be entitled to a refund on the amount of such dividend (including the amount of the tax thereon) calculated at the difference between those rates.

Refunds.

(2) If a member of a registered firm satisfies the Income-tax Officer that the rate of income-tax applicable to his total income of the previous year was less than the rate at which income-tax has been levied on the profits or gains of the firm of that year, he shall be entitled to a refund on his share of those profits or gains calculated at the difference between those rates.

(3) If the owner of a security from the interest on which, or any person from whose salary, income-tax has been deducted in accordance with the provisions of section 18, satisfies the Income-tax Officer that the rate of income-tax applicable to his total income of the previous year was less than the rate at which income-tax has been charged in making such deduction in that year, he shall be entitled to a refund on the amount of interest or salary from which such deduction has been made calculated at the difference between those rates.

49. (1) If any person who has paid Indian income-tax for any year on any part of his income proves to the satisfaction of the Income-tax Officer that he has paid Relief in respect of United Kingdom income-tax. United Kingdom income-tax for that year in respect of the same part of his income, and that the rate at which he was entitled to, and has obtained, relief under the provisions of section 27 of the Finance Act, 1920, is less than the Indian rate of tax charged in respect of that part of his income, he shall be entitled to a refund of a sum calculated on that part of his income at a rate equal to the difference between the Indian rate of tax and the rate at which he was entitled to, and obtained, relief under that section:

10 & 11 Geo. V, ch. 18. Provided that the rate at which the refund is to be given shall not exceed one-half of the Indian rate of tax.

(2) In sub-section (1)—

- (a) the expression "Indian income-tax" means income-tax and super-tax charged in accordance with the provisions of this Act;
- (b) the expression "Indian rate of tax" means the amount of the Indian income-tax divided by the income on which it was charged;
- (c) the expression "United Kingdom income-tax" means income-tax and super-tax chargeable in accordance with the provisions of the Income-tax Acts.

50. No claim to any refund of income-tax under this Chapter shall be allowed, unless it is made within one year from the last day of the year in which the tax was recovered.

Limitation of claims for refund.

CHAPTER VIII.

OFFENCES AND PENALTIES.

Failure to make payments or deliver returns or statements or allow inspection.

51. If a person fails without reasonable cause or excuse—

- (a) to deduct and pay any tax as required by section 18 or under sub-section (5) of section 46;
- (b) to furnish a certificate required by sub-section (9) of section 18 or by section 20 to be furnished;

- (c) to furnish in due time any of the returns mentioned in section 21, section 22, or section 38;
- (d) to produce, or cause to be produced, on or before the date mentioned in any notice under sub-section (4) of section 22, such accounts and documents as are referred to in the notice;
- (e) to grant inspection or allow copies to be taken in accordance with the provisions of section 39,

he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

52. If a person makes a statement in a verification mentioned in section 22, or sub-section (3) of section 30, or sub-section (2) of section 32 which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be deemed to have committed the offence described in section 177 of the Indian Penal Code.
 False statement in declaration.
 XLV of 1860.

53. (1) A person shall not be proceeded against for an offence under section 51 or section 52 except at the instance of the Assistant Commissioner.
 Prosecution to be at instance of Assistant Commissioner.

(2) The Assistant Commissioner may stay any such proceeding or compound any such offence.

54. (1) All particulars contained in any statement made, return furnished or accounts or documents produced under the provisions of this Act, or in any evidence given, or affidavit or deposition made, in the course of any proceedings under this Act other than proceedings under this Chapter, or in any record of any assessment proceeding or any proceeding relating to the recovery of a demand, prepared for the purposes of this Act, shall be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no Court shall, save as provided in this Act, be entitled to require any public servant to produce before it any such return, accounts, documents or record or any part of any such record, or to give evidence before it in respect thereof.
 Disclosure of information by a public servant.
 I of 1872.

(2) If a public servant discloses any particulars contained in any such statement, return, accounts, documents, evidence, affidavit, deposition or record, he shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine:

Provided that nothing in this section shall apply to the disclosure—

(a) of any such particulars for the purposes of a prosecution under section 193 of the Indian Penal Code in respect of any such statement, return, accounts, documents, evidence, affidavit or
 XLV of 1860.

deposition, or for the purposes of a prosecution under this Act, or

(b) of any such particulars to any person acting in the execution of this Act where it is necessary to disclose the same to him for the purposes of this Act, or

(c) of any such particulars occasioned by the lawful employment under this Act of any process for the service of any notice or the recovery of any demand, or

(d) of such facts, to an authorised officer of the United Kingdom, as may be necessary to enable relief to be given under section 10 & 11, Geo.V, 27 of the Finance Act, 1920, or a refund to be given under section 49 of this Act:
ch. 18.

Provided, further, that no prosecution shall be instituted under this section except with the previous sanction of the Commissioner.

CHAPTER IX.

SUPER-TAX.

55. In addition to the income-tax charged for any year, there shall be charged, levied and paid for that year in respect of the total income of the previous year of any individual, unregistered firm, Hindu undivided family or company, an additional duty of income-tax (in this Act referred to as super-tax) at the rate or rates laid down for that year by Act of the Indian Legislature:

Provided that, where the profits and gains of an unregistered firm have been assessed to super-tax, super-tax shall not be payable by an individual having a share in the firm in respect of the amount of such profits and gains which is proportionate to his share.

56. Subject to the provisions of this Chapter, the total income of any individual, unregistered firm, Hindu undivided family or company shall, for the purposes of super-tax, be the total income as assessed for the purposes of income-tax, and where an assessment of total income has become final and conclusive for the purposes of income-tax for any year, the assessment shall also be final and conclusive for the purposes of super-tax for the same year.

57. (1) In the case of any assessee residing out of British India who is a member of a registered firm, and whose share of the profits from such firm is liable to super-tax, the remaining members of such firm who are resident in British India shall be jointly and severally liable to pay the super-tax due from the non-resident member in respect of such share.

(2) Where any assessee who is liable to pay super-tax on the amount of the dividends receivable by him from any company is, to the knowledge of the principal officer of the company, residing out of British India, the principal officer shall be liable to pay the super-tax due by such non-resident person in respect of the dividends received by him from the company, and shall have power to deduct the amount of such super-tax from the amount payable by the company to such assessee.

(3) Where any person pays any tax under the provisions of this section on account of an assessee who is residing out of British India, credit shall be given therefor in determining the amount of the tax to be payable by any agent of such non-resident assessee under the provisions of sections 42 and 43.

58. (1) All the provisions of this Act, except section 3, the proviso to sub-section (1) of section 7, the provisos to section 8, sub-section (2) of section 14, and sections 15, 17, 18, 19, 20, 21 and 48 shall apply, so far as may be, to the charge, assessment, collection and recovery of super-tax.

(2) Save as provided in section 57, super-tax shall be payable by the assessee direct.

CHAPTER X.

MISCELLANEOUS.

59. (1) The Board of Inland Revenue may, subject to the control of the Governor-General in Council, make rules for carrying out the purposes of this Act and for the ascertainment and determination of any class of income. Such rules may be made for the whole of British India or for such part thereof as may be specified.

(2) Without prejudice to the generality of the fore-going power, such rules may—

(a) prescribe the manner in which, and the procedure by which, the income, profits and gains shall be arrived at in the case of—

(i) incomes derived in part from agriculture and in part from business;

(ii) insurance companies;

(iii) persons residing out of British India;

(b) prescribe the procedure to be followed on applications for refunds;

10 & 11 Geo. V, ch. 18. (c) provide for such arrangements with His Majesty's Government as may be necessary to enable the appropriate relief to be granted under section 27 of the Finance Act, 1920, or under section 49 of this Act;

10 & 11 Geo. V, ch. 18. (d) prescribe the year which, for the purpose of relief under section 49, is to be taken as corresponding to the year of assessment for the purposes of section 27 of the Finance Act, 1920; and

(e) provide for any matter which by this Act is to be prescribed.

(3) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of previous publication.

(4) Rules made under this section shall be published in the Gazette of India, and shall thereupon have effect as if enacted in this Act.

60. The Governor-General in Council may, by notification in the Gazette of India, make an exemption, reduction in rate or other modification, in respect of income-tax in favour of any class of income, or in regard to the whole or any part of the income of any class of persons.

Power to make exemptions, etc.

61. Any assessee, who is entitled or required to attend before any income-tax authority in connection with any proceedings under this Act, may attend either in person or by any person authorised by him in writing in this behalf.

Appearance by authorised representative.

62. A receipt shall be given for any money paid or recovered under this Act.

Receipts to be given.

63. (1) A notice or requisition under this Act may be served on the person therein named either by post or, as if it were a summons issued by a Court, under the Code of Civil Procedure, 1908.

Service of notices.

V of 1908.

(2) Any such notice or requisition may, in the case of a firm or a Hindu undivided family, be addressed to any member of the firm or on the manager, or any adult male member of the family.

64. (1) Where an assessee carries on business at any place, he shall be assessed by the income-tax Officer of the area in which that place is situate or, where the business is carried on in more places than one, by the Income-tax Officer of the area in which his principal place of business is situate.

(2) In all other cases, an assessee shall be assessed by the Income-tax Officer of the area in which he resides.

(3) Where any question arises under this section as to the place of assessment, such question shall be determined by the Commissioner, or, where the question is between places in more provinces than one, by the Commissioners concerned, or, if they are not in agreement, by the Board of Inland Revenue:

Provided that, before any such question is determined, the assessee shall have had an opportunity of representing his views.

(4) Notwithstanding anything contained in this section, every Income-tax Officer shall have all the powers conferred by or under this Act on an Income-tax Officer in respect of any income, profits or gains accruing, or arising or received within the area for which he is appointed.

65. Every person deducting, retaining or paying any tax in pursuance of this Act in respect of income belonging to another person is hereby indemnified for the deduction, retention or payment thereof.

66. (1) If, in the course of any assessment under this Act or any proceeding in connection therewith other than a proceeding under Chapter VIII, a question of law arises, the Commissioner may, either on his own motion or on reference from any Income-tax authority subordinate to him, draw up a statement of the case and refer it with his own opinion thereon to the High Court.

(2) Within one month of the passing of an order under section 31 or section 32, the assessee in respect of whom the order was passed may, by application accompanied by a fee of one hundred rupees or such lesser sum as may be prescribed, require the Commissioner to refer to the High Court any question of law arising out of such order and the Commissioner shall, within one month of the receipt of such application, draw up a statement of the case and refer it with his own opinion thereon to the High Court:

Provided that, if, in exercise of his power of review under section 33, the Commissioner decides the question, the assessee may withdraw his application; and if he does so, the fee paid shall be refunded.

(3) If, on any application being made under sub-section (2), the Commissioner refuses to state the case on the ground that no question of law arises, the assessee may apply to the High Court, and the High Court, if it is not satisfied of the correctness of the Commissioner's decision, may require the Commissioner to state the case and to refer it, and, on receipt of any such requisition, the Commissioner shall state and refer the case accordingly.

(4) If the High Court is not satisfied that the statements in a case referred under this section are sufficient to enable it to determine the question raised thereby, the Court may refer the case back to the Commissioner by whom it was stated to make such additions thereto or alterations therein as the Court may direct in that behalf.

(5) The High Court upon the hearing of any such case shall decide the questions of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the Commissioner by whom the case was stated a copy of such judgment under the seal of the Court and the signature of the Registrar, and the Commissioner shall dispose of the case accordingly, or, if the case arose on a reference from any Income-tax authority subordinate to him, shall forward a copy of such judgment to such authority who shall dispose of the case conformably to such judgment.

(6) Where a reference is made to the High Court on the application of an assessee, the costs shall be in the discretion of the Court.

(7) Notwithstanding that a reference has been made under this section to the High Court, income-tax shall be payable in accordance with the assessment made in the case:

Provided that, if the amount of an assessment is reduced as a result of such reference, the amount overpaid shall be refunded with such interest as the Commissioner may allow.

67. No suit shall be brought in any Civil Court to set aside or modify any assessment made under this Act, and no prosecution, suit or other proceeding shall lie against any Government officer for anything in good faith done or intended to be done under this Act.

Bar of suits in Civil Court.

68. The enactments mentioned in the Schedule are hereby repealed to the extent specified in the fourth column thereof:

Repeals.

Provided that such repeal shall not affect the liability of any person to pay any sum due from him or any existing right of refund under any of the said enactments:

Provided, further, that the provisions of section 19 of the Indian Income-tax Act, 1918, shall apply, so far as may be, to all assessments made under that Act in the year ending on the 31st day of March, 1922, and where an adjustment shall be made under the provisions of section 19 of the said Act, the provisions of this Act regarding the procedure for the assessment and recovery of income-tax shall apply as if such adjustment were an assessment made under this Act.

THE SCHEDULE
ENACTMENTS REPEALED.

(*See section 68.*)

1	2	3	4
Year.	No.	Short title.	Extent of repeal.
1918	VII	The Indian Income-tax Act, 1918.	The whole.
1919	IV	The Indian Income-tax (Amendment) Act, 1919.	The whole.
"	XVIII	The Repealing and Amending Act, 1919.	So much of the First Schedule as relates to the Indian Income-tax Act, 1918.
1920	XVII	The Indian Income-tax (Amendment) Act, 1920.	The whole.
"	XIX	The Super-tax Act, 1920	The whole.
"	XXXI	The Repealing and Amending Act, 1920.	So much of the First Schedule as relates to the Super-tax Act, 1920.
"	XLIV	The Indian Income-tax (Amendment No. 2) Act, 1920.	The whole.

N. B.—For rates of Income-tax and Super-tax *vide* Sch. III of Act XII of 1922 (*infra*).

ACT No. XII OF 1922

[PASSED BY THE INDIAN LEGISLATURE.]

*(Received the assent of the Governor-General on the
27th March, 1922.)*

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1898, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an excise duty on kerosene, to fix rates of income-tax and to abolish the freight tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1898, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an exercise duty on kerosene, to fix rates of income-tax and to abolish the freight tax; It is hereby enacted as follows:—

Short title, extent and duration. **1.** (1) This Act may be called the Indian Finance Act, 1922.

(2) It extends to the whole of British India, including the Sonthal Parganas and, except as regards section 5, British Baluchistan.

(3) Sections 2, 4 and 7 shall remain in force only up to the 31st day of March, 1923.

2. With effect from the first day of March, 1922, the provisions of Fixation of salt duty. section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor-General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if they imposed such duty at the rate of one rupee and four annas per maund of eighty two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. (1) With effect from the first day of March, 1922, for the Second Amendment of Act VIII of 1894. Schedule to the Indian Tariff Act, 1894, the Schedule contained in the First Schedule to this Act shall be substituted.

(2) With effect from the same date, section 2 of the Indian Finance Act, 1921, and the First Schedule to that Act shall be repealed.

4. With effect from the first day of April, 1922, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

5. With effect from the first day of March, 1922, the provisions of the Motor Spirit (Duties) Act, 1917, which provide for the levy and collection of an excise duty on motor spirit, that is to say, all the provisions of that Act except section 6 thereof, shall apply also for the purpose of the levy and collection of an excise duty on kerosene as if references in the said Act to motor spirit (other than the reference in the second clause of section 2 thereof) were references to kerosene:

Provided that the duty on kerosene shall be levied and collected at the rate of one anna on each imperial gallon.

Explanation.—For the purposes of this section, “kerosene” means any inflammable hydro-carbon (including any mixture of hydro-carbons or any liquid containing hydro-carbons but excluding motor spirit) which—

(a) is made from petroleum as defined in section 2 of the Indian Petroleum Act, 1899, and

(b) is intended to be, or is ordinarily, used in liquid form for purposes of illumination.

6. In sub-section (3) of section 13 of the Indian Paper Currency (Amendment) Act, 1920, for the figure “1921” the figure “1923” shall be substituted and shall be deemed to have been substituted with effect from the first day of April, 1921.

7. (1) Income-tax for the year beginning on the first day of April, 1922, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The rates of super-tax for the year beginning on the first day of April, 1922, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

(3) For the purposes of the Third Schedule “total income” means total income as defined in clause (15) of section 2 of the Indian Income-tax Act, 1922.

8. With effect from the first day of April, 1922, the Freight (Railway and Inland Steam-vessel) Tax Act, 1917, shall be repealed.

SCHEDULE III.

(See section 7.)

PART I.

Rates of Income-tax.

A. In the case of every individual, every unregistered firm and every undivided Hindu family—	Rate.
(1) When the total income is less than Rs. 2,000	<i>Nil.</i>
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards.	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income:—	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess.	<i>Nil.</i>
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(b) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(c) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(i) for every rupee of the second fifty thousand rupees of such excess.	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess.	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess.	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess.	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess.	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess.	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess.	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess.	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess.	Six annas in the rupee.

ACT No. XV OF 1923.

PASSED BY THE INDIAN LEGISLATURE.

*(Received the assent of the Governor-General on the
16th March, 1923.)*

An Act to amend the Indian Income-tax Act, 1922.

WHEREAS it is expedient to amend the Indian Income-tax Act, 1922;*
It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Income-tax (Amendment) Act, 1923.

2. To sub-section (1) of section 7 of the Indian Income-tax Act, 1922* (hereinafter referred to as the said Act),
Amendment of section 7, Act XI of 1922. the following explanation shall be added, namely:—

“Explanation.—The right of a person to occupy free of rent as a place of residence any premises provided by his employer is a perquisite for the purposes of this sub-section.”

Amendment of section 68, Act XI of 1922. 3. (1) In section 68 of the said Act, in the second proviso—

(a) for the words and figures “to all assessments made under that Act in the year ending on the 31st day of March, 1922,” the following shall be substituted, namely:—

“to income-tax leviable under that Act in respect of the year beginning on the first day of April, 1921, and to super-tax chargeable under the Super-tax Act, 1920, in that year”; and

(b) for the words and figures “section 19 of the said Act” the words “that section” shall be substituted.

(2) The amendments made in the said Act by sub-section (1) shall have effect as if they had been made on the 1st day of April, 1922.

ACT No. XXVII OF 1923.

PASSED BY THE INDIAN LEGISLATURE.

*(Received the assent of the Governor-General on the
25th July, 1923.)*

*An Act further to amend the Indian Income-tax Act, 1922, for
certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called Indian Income-tax (Further Amendment) Act, 1923.

Amendment of section 4, Act XI of 1922. 2. In sub-section (2) of section 4 of the Indian Income-tax Act, 1922* (hereinafter referred to as the said Act), for the words "shall be deemed to be profits and gains of the year in which they are received or brought into British India," the following words shall be substituted, namely:—

"shall, if they are received in or brought into British India, be deemed to have accrued or arisen in British India and to be profits and gains of the year in which they are so received or brought."

Insertion of new Chapter VA, Act XI of 1922. 3. After Chapter V of the said Act the following Chapter shall be inserted namely:—

"CHAPTER VA.

SPECIAL PROVISIONS RELATING TO CERTAIN CLASSES OF SHIPPING.

Liability to tax of occasional shipping. 44A. The provisions of this Chapter shall, notwithstanding anything contained in the other provisions of this Act, apply for the purpose of the levy and recovery of tax in the case of any person who resides out of British India and carries on business in British India in any year as the owner of Charterer of a ship such person hereinafter in this Chapter being referred to as the principal, unless the Income-tax Officer is satisfied that there is

* XI of 1922.

an agent of such principal from whom the tax will be recoverable in the following year under the other provisions of this Act.

44B. (1) Before the departure from any port in British India of any ship in respect of which the provisions of this Chapter apply, the master of the ship shall prepare and furnish to the Income-tax Officer a return of the full amount paid or payable to the principal or to any person on his behalf, on account of the carriage of all passengers, live-stock or goods shipped at that port since the last arrival of the ship thereat.

(2) On receipt of the return, the Income-tax Officer shall assess the amount referred to in sub-section (1), and for this purpose may call for such accounts or documents as he may require, and one twentieth of the amount so assessed shall be deemed to be the amount of the profits and gains accruing to the principal on account of the carriage of the passengers, live-stock and goods shipped at the port.

(3) When the profits and gains have been assessed as aforesaid, the Income-tax Officer shall determine the sum payable as tax thereon at the rate for the time being applicable to the total income of a company, and such sum shall be payable by the master of the ship and a port-clearance shall not be granted to the ship until the Customs, collector, or other officer duly authorised to grant the same, is satisfied that the tax has been duly paid.

44C. Nothing in this Chapter shall be deemed to prevent a principal from claiming, in any year following that in which any payment has been made on his behalf under this Chapter, that an assessment be made of his total income in the previous year, and that the tax payable on the basis thereof be determined in accordance with the other provisions of this Act, and, if he so claims, any such payment as aforesaid shall be treated as a payment in advance of the tax and difference between the sum so paid and the amount of tax found payable by him shall be paid by him or refunded to him, as the case may be."

ACT NO. IV OF 1924.

PASSED BY THE INDIAN LEGISLATURE.

*(Received the assent of the Governor-General on the
13th March, 1924.)*

An Act to provide for the constitution of a Central Board of Revenue and to amend certain enactments for the purpose of conferring powers and imposing duties on the said Board.

WHEREAS it is expedient to provide for the constitution of a Central Board of Revenue and to amend certain enactments for the purpose of conferring powers and imposing duties on the said Board; It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Central Board of Revenue Act, 1924.

(2) It shall come into force on the first day of April, 1924.

2. As soon as may be after the commencement of this Act, the Governor-General in Council shall constitute a Central Board of Revenue, consisting of one or more persons appointed by him, which shall be subject to the control of the Governor-General in Council in the exercise of such powers and the performance of such duties as may be entrusted to it by the Governor-General in Council or by or under any law.

3. The Governor-General in Council may make rules for the purpose of regulating the transaction of business by the Central Board of Revenue, and every order made or act done in accordance with such rules shall be deemed to be the order or act, as the case may be, of the Central Board of Revenue.

4. The enactments specified in the Schedule are hereby amended to the extent and in the manner mentioned in the fourth column thereof;

Provided that, where the power to make any appointment, or issue any notification, order, scheme or rule, or prescribe any form, is transferred by the operation of this Act from any authority to the Central Board of Revenue or any other authority, any such appointment, notification, order, scheme, rule, or form made, issued or prescribed by the first-mentioned authority before the commencement of this Act shall continue in force and be deemed to have been made, issued or prescribed by the Central Board of Revenue or such other authority, as the case may be, unless and until it is superseded by an appointment, notification, order, scheme, rule, or form made, issued or prescribed by the said Board or authority.

Year.	No.	Short title.	Amendment.
1922	XI	The Indian Income-tax Act.	<ol style="list-style-type: none"> 1. After clause (4) of section 2 the following clause shall be inserted, namely:— “(4A) ‘The Central Board of Revenue’ means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924.” 2. In section 5— <ol style="list-style-type: none"> (i) in clause (a) of sub-section (1), for the words “a Board of Inland Revenue” the words “the Central Board of Revenue” shall be substituted; and (ii) sub-section (2) shall be omitted. 3. In clauses (6) and (11) of section 2, in sub-section (5) of section 5, in sub-section (6) of section 18, in sub-section (5) of section 46, in sub-section (1) of section 59, and in sub-section (3) of section 64, for the words “the Board of Inland Revenue” the words “the Central Board of Revenue” shall be substituted.

ACT No. XI OF 1924

PASSED BY THE INDIAN LEGISLATURE.

*(Received the assent of the Governor-General on the
28th March, 1924.)*

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922,* for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and com-
mencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act 1924.

(2) Sections 4, 5, 6 and 10 shall not come into force until the first day of April, 1924.

2. In clause (12) of section 2 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), after the words “any other public body or” the word “any” shall be inserted.

Amendment of section
2, Act XI of 1922.

3. In section 3 of the said Act for the words “individual, company firm and Hindu undivided family” the words “individual, Hindu undivided family, company, firm and other association of individuals” shall be substituted.

Amendment of section
3, Act XI of 1922.

4. In clause (iv) of sub-section (3) of section 4 of this said Act, the words “or any Provident Insurance Society to which the Provident Insurance Societies Act, 1912† is or, but for an exemption under that Act would be applicable” shall be omitted.

Amendment of section
4, Act XI of 1922.

5. In sub-section (1) of section 15 of the said Act the words “or to any Provident Fund which complies with the provisions of the Provident Insurance Societies Act, 1912, or has been exempted from the provisions of that Act” shall be omitted.

Amendment of section
15, Act XI of 1922.

Amendment of section
25, Act XI of 1922.

6. In section 25 of the said Act,—

(a) in sub-section (1) for the words and figures “commenced after the 31st day of March, 1922” the words and figures “on which income-tax was not at any time charged under the provisions of the Indian Income-tax Act, 1918”* shall be substituted; and

(b) in section (3) the word “which was in existence at the commencement of this Act and” shall be omitted.

Amendment of section
55, Act XI of 1922.

7. In section 55 of the said Act for the words “individual unregistered firm, Hindu undivided family or company”, the words, “individual, Hindu undivided family company unregistered firm or other association of individuals, not being a registered firm” shall be substituted.

Amendment of section
56, Act XI of 1922.

8. In section 56 of the said Act, for the words “individual, unregistered firm, Hindu undivided family or Company” the words “individual, Hindu undivided family, company, unregistered firm or other association of individuals” shall be substituted.

Amendment of section
63, Act XI of 1922.

9. To sub-section (2) of section 63 of the said Act after the words “member of the family” the words “and in the case of any other association of individuals be addressed to the principal officer thereof” shall be added.

Amendment of section
66, Act XI of 1922.

10. In sub-section (3) of section 66 of the said Act, after the words “the assessee may” the words “within six months from the date on which he is served with notice of the refusal” shall be inserted.

Retrospective effect.

11. The amendments made in the said Act by sections 3, 7 and 8 shall have effect as if they had been made on the first day of April, 1923, and income-tax and super-tax shall be deemed to have been chargeable for the year commencing on that date and to be chargeable for the year commencing on the first day of April, 1924, at the rate or rates applicable for those years to the total income of an individual, in respect of the income, profits and gains and of total income, respectively of every association of individuals for which no rate of tax has been otherwise laid down by law.

ACT NO. V OF 1925.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 1ST MARCH, 1925.

An Act further to amend the Indian Income-tax Act, 1922.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1925.

Amendment of section
56, Act XI of 1922.

2. To section 56 of the Indian Income-tax Act, 1922,* the following proviso shall be added, namely:—

“Provided that, in computing the total income of a member of a registered firm, where any change occurs in the constitution of the firm, the profits or gains of the firm during the previous year shall be deemed to have been received in that year by the members of the firm as constituted at the time of the making of the assessment to super-tax in proportion to their shares in the firm at the time.”

* XI of 1922.

ACT NO. XVI OF 1925.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 25TH MARCH, 1925.

An Act further to amend the Indian Income-tax Act, 1922.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Income-
(Second Amendment) Act, 1925.

2. In section 18 of the Indian Income-tax Act, 1922, after sub-section
Amendment of section (2) the following sub-section shall be inserted,
18, Act XI of 1922. namely:—

“(2A) Notwithstanding anything hereinbefore contained, for the purpose of making the deduction under sub-section (2), there shall be included in the amount payable any income chargeable under the head ‘Salaries’ which is payable to the assessee out of India by or on behalf of Government, and the value in rupees of such income shall be calculated at the prescribed rate of exchange.”

ACT No. XXIV OF 1926

PASSED BY THE INDIAN LEGISLATURE.

*(Received the assent of the Governor-General on the
25th March, 1926.)*

An Act further to amend the Indian Income-tax, 1922,
for certain purposes.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922,* for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and com-
mencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1926.

(2) It shall come into force on the 1st day of April, 1926.

Insertion of new sec-
tion 19A in Act XI of
1922.

2. After section 19 of the Indian Income-tax Act, 1922* (hereinafter referred to as the said Act), the following section shall be inserted, namely:—

“19A. The principal officer of every company shall, on or before the 15th day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and of the addresses, as entered in the register of share-holders maintained by the company, or the share-holders to whom a dividend or aggregate dividends exceeding such amount as may be prescribed in this behalf has or have been distributed during the preceding year and of the amount so distributed to each such share-holder.”

Amendment of section
51, Act XI of 1922.

3. In clause (c) of section 51 of the said Act, after the words “mentioned in” the word and figures “section 19A or” shall be inserted.

Amendment of section
52, Act XI of 1922.

4. In section 52 of the said Act, after the words “mentioned in” the words and figures “section 19A” shall be inserted.

* XI of 1922.

5. (1) In sub-section (1) of section 57 of the said Act, for the word "assessee" the word "person" shall be substituted.

Amendment of section 57, Act XI of 1922.

(2) For sub-section (2) of the same section the following sub-sections shall be substituted, namely:—

"(2) Where the Income-tax Officer has reason to believe that any person, who is a share-holder in a company, is resident out of British India and that the total income of such person will in any year exceed the maximum amount which is not chargeable to super-tax under the law for the time being in force, he may, by order in writing, require the principal officer of the company to deduct at the time of payment of any dividend from the company to the share-holder in that year super-tax at such rate as the Income-tax Officer may determine as being the rate applicable in respect of the income of the share-holder in that year.

(3) If in any year the amount of any dividend or the aggregate amount of any dividends paid to any share-holder by a company (together with the amount of any income-tax payable by the company in respect thereof) exceeds the maximum amount of the total income of a person which is not chargeable to super-tax under the law for the time being in force, and the principal officer of the company has not reason to believe that the share-holder is resident in British India, and no order under sub-section (2) has been received in respect of such share-holder by the principal officer from the Income-tax Officer, the principal officer shall at the time of payment deduct super-tax on the amount of such excess at the rate which would be applicable under the law for the time being in force if the amount of such dividend or dividends (together with the amount of such income-tax as aforesaid) constituted the whole total income of the share-holder."

(3) Sub-section (3) of the same section shall be re-numbered as sub-section (4), and in that sub-section for the words "an assessee" the words "another person" and for the word "assessee", where it occurs for the second time, the word "person" shall be substituted.

Amendment of section 58, Act XI of 1922.

6. To sub-section (1) of section 58 of the said Act the following proviso shall be added, namely:—

"Provided that sub-sections (4) to (9) of section 18 shall apply, so far as may be, to the assessment, collection and recovery of super-tax under sub-section (2) or sub-section (3) of section 57."

Amendment of section
66, Act XI of 1922.

7. To section 66 of the said Act the following sub-section shall be added, namely:—

“(8) For the purposes of this section “the High Court” means—

- (a) in relation to the North-West Frontier Province and British Baluchistan, the High Court of Judicature at Lahore;
- (b) in relation to the province of Amjer-Merwara, the High Court of Judicature at Allahabad; and
- (c) in relation to the province of Coorg, the High Court of Judicature at Madras.”

Insertion of new section
66A in Act XI of
1922.

8. After section 66 of the said Act the following section shall be inserted, namely:—

“66A. (1) When any case has been referred to the High Court under section 66, it shall be heard by a Bench of not less than two Judges of the High Court, and in respect of such case the provisions of section 98 of the Code of Civil Procedure, 1908,* shall, so far as may be, apply notwithstanding anything contained in the Letters Patent of any High Court established by Letters Patent or in any other law for the time being in force.

- (2) An appeal shall lie to His Majesty in Council from any judgment of the High Court delivered on a reference made under section 66 in any case which the High Court certifies to be a fit one for appeal to His Majesty in Council.
- (3) The provisions of the Code of Civil Procedure, 1908, relating to appeals to His Majesty in Council shall, so far as may be, apply in the case of appeals under this section in like manner as they apply in the case of appeals from decrees of a High Court:

Provided that nothing in this sub-section shall be deemed to affect the provisions of sub-section (5) or sub-section (7) of section 66:

Provided, further, that the High Court may, on petition made for the execution of the order of His Majesty in Council in respect of any costs awarded thereby, transmit the order for execution to any Court subordinate to the High Court.

- (4) Where the judgment of the High Court is varied or reversed in appeal under this section, effect shall be given to the order of His Majesty in Council in the manner provided in sub-section (5) and (7) of section 66 in the case of a judgment of the High Court.
- (5) Nothing in this section shall be deemed—
 - (a) to bar the full and unqualified exercise of His Majesty's pleasure in receiving or rejecting appeals to His Majesty in Council, or otherwise howsoever, or
 - (b) to interfere with any rules made by the Judicial Committee of the Privy Council, and for the time being in force, for the presentation of appeals to His Majesty in Council, or their conduct before the said Judicial Committee."

ACT No. XXVIII OF 1927.

[PASSED BY THE INDIAN LEGISLATURE.]

*(Received the assent of the Governor-General on the
22nd September, 1927.)*

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922*, for the purposes hereinafter appearing; It is hereby enacted as follows:

Short title. 1. This Act may be called the Indian Income-tax (Amendment) Act, 1927.

2. (1) In section 59 of the Indian Income-tax Act, 1922*, after sub-
Amendment of section section (2), the following sub-section shall be
59, Act XI of 1922. inserted, namely:—

“(3) In cases coming under clause (a) of sub-section (2), where the income, profits and gains liable to tax cannot be definitely ascertained, or can be ascertained only with an amount of trouble and expense to the assessee which, in the opinion of the Central Board of Revenue, is unreasonable, the rules made under that sub-section may—

(a) prescribe methods by which an estimate of such income, profits and gains may be made, and

(b) in cases coming under sub-clause (i) of clause (a) of sub-section (2), prescribe the proportion of the income which shall be deemed to be income, profits and gains liable to tax,

and an assessment based on such estimate or proportion shall be deemed to be duly made in accordance with the provisions of this Act.”

(2) Sub-sections (3) and (4) of the same section shall be re-numbered as sub-sections (4) and (5), respectively.

ACT No. III OF 1928.

[PASSED BY THE INDIAN LEGISLATURE.]

*(Received the assent of the Governor-General on the
13th March, 1928.)*

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922* for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1928.

(2) It shall come into force on the 1st day of April, 1928.

Amendment of section 10, Act XI of 1922.

2. In sub-section (2) of section 10 of the Indian Income-tax Act, 1922,† (hereinafter referred to as the said Act),—

(a) after clause (vii) the following clause shall be inserted, namely:—

“(viii) in respect of animals which have been used for the purposes of the business otherwise than as stock in trade and have died or become permanently useless for such purposes, the difference between the original cost to the assessee of the animals and the amount, if any, realised in respect of the carcasses or animals”; and

(b) after clause (ix) the following proviso shall be inserted, namely—

“Provided that nothing in clause (viii) or clause (ix) shall be deemed to authorise the allowance of any sum paid on account of any case, rate or tax levied on the profits or gains of any business or assessed at a proportion of or otherwise on the basis of any such profits or gains.”

3. In clause (b) of sub-section (2) of section 14 of the said Act, after the words “his share in the firm” the words “at the time of such assessment” shall be added.

Amendment of section 14, Act XI of 1922.

Insertion of new section 25A in Act XI of 1922.

4. After section 25 of the said Act the following section shall be inserted, namely:—

“25A. (1) Where, at the time of making an assessment under section 23, it is claimed by or on behalf of any member of a Hindu family hitherto undivided that a partition has taken place among the members of such family, the Income-tax Officer shall make such inquiry thereinto as he may think fit, and, if he is satisfied that a separation of the members of the family has taken place and that the joint family property has been partitioned among the various members or groups of members in definite portions before the end of the previous year, he shall record an order to that effect.

Provided that no such order shall be recorded until notices of the inquiry have been served on all the members of the family.

(2) Where such an order has been passed, the Income-tax Officer shall make an assessment of the total income received by or on behalf of the joint family as such, as if no separation or partition had taken place, and each member or group of members shall, in addition to any income-tax for which he or it may be separately liable and notwithstanding anything contained in sub-section (1) of section 14, be liable for a share of the tax on the income so assessed according to the portion of the joint family property allotted to him or it;

and the Income-tax Officer shall make assessments accordingly on the various members and groups of members in accordance with the provisions of section 23;

Provided that all the separated members and groups of members shall be liable jointly and severally for the tax assessed on the total income received by or on behalf of the joint family as such.”

Amendment of section 26, Act XI of 1922.

5. For section 26 of the said Act the following section shall be substituted, namely:—

“26. (1) Where at the time of making an assessment under section 23, it is found that a change has occurred in the constitution of a firm or that a firm has been newly constituted, the assessments on the firm and on the members thereof shall, subject to the provisions of this Act, be made as if the firm had been constituted throughout the previous year as it is constituted at the time of making the assessment, and as if each member had received a share of the profits of that year proportionate to his interest in the firm at the time of making the assessment.

(2) Where, at the time of making an assessment under section 23, it is found that the person carrying on any business, profession or vocation has been succeeded in such capacity by another person, the assessment shall be made on such person succeeding, as if he had been carrying on the business, profession or vocation throughout the previous year, and as if he had received the whole of the profits for that year."

Amendment of section 35, Act XI of 1922.

6. In sub-section (1) of section 35 of the said Act,—

(a) before the words "The Income-tax Officer may" the following words shall be inserted, namely:—

"The Commissioner or Assistant Commissioner may, at any time within one year from the date of any order passed by him in appeal or, in the case of the Commissioner, in revision under section 33 and";

(b) for the words "of the assessment" the words "of the appeal, revision or assessment, as the case may be," shall be substituted;

(c) for the words "such assessee" the words "the assessee" shall be substituted; and

(d) in the proviso, for the words "the Income-tax Officer" the words "the Commissioner, the Assistant Commissioner or the Income-tax Officer, as the case may be," shall be substituted.

Amendment of section 42, Act XI of 1922.

7. In section 42 of the said Act, the following sub-section shall be added, namely:—

"(3) Where any profits or gains have accrued or arisen to any person directly or indirectly from the sale in British India by him or by any agency or branch on his behalf of any merchandise exported to British India by him or any agency or branch on his behalf from any place outside British India, the profits or gains shall be deemed to have accrued and arisen and to have been received in British India, and no allowance shall be made under sub-section (2) of section 10 in respect of any buying or other commission whatsoever not actually paid, or of any other amounts not actually spent, for the purpose of earning such profits or gains."

Amendment of section 46, Act XI of 1922.

8. After sub-section (1) of section 46 of the said Act the following sub-section shall be inserted, namely:—

"(1A) For the purposes of sub-section (1), the Income-tax Officer may direct the recovery of any sum less than the amount of

the arrears and may enhance the sum so directed to be recovered from time to time in the case of a continuing default, so however that the total sum so directed to be recovered shall not exceed the amount of the arrears payable."

Amendment of section 48, Act XI of 1922. 9. In section 48 of the said Act, the following sub-sections shall be added, namely:—

"(4) For the purposes of this section, 'total income' includes, in the case of any person not resident in British India, all income, profits and gains wherever arising, accruing or received, which, if arising, accruing or received in British India, would be included in the computation of total income under section 16.

(5) Nothing in this section shall entitle to any refund any person not resident in British India who is neither a British subject as defined in section 27 of the British Nationality and Status Aliens Act, 1914,* nor a subject of a State in India."

Amendment of section 56, Act XI of 1922. 10. The proviso to section 56 of the said Act shall be omitted.

11. In the proviso to sub-section (2) of section 66, for the word

Amendment of section 66, Act XI of 1922. "review" the word "revision" shall be substituted.

* 4 & 5 Geo. 5, c. 17.

ACT No. XVI OF 1928.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL,
ON THE 25TH SEPTEMBER, 1928.

*An Act further to amend the Indian Income-tax Act 1922, for
a certain purpose.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922,* for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1928.

2. In sub-section (3) of section 5 of the Indian Income-tax Act, 1922,
Amendment of section
5, Act XI of 1922. the words “after consideration of any recommendation made by the Local Government in this behalf” shall be omitted.

ACT No. XII OF 1929.

RECEIVED THE ASSENT OF THE GOVERNOR GENERAL ON THE
1ST OCTOBER, 1929.

*An Act further to amend the Indian Income-tax Act, 1922, for
certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act,
XI of 1922. 1922, for the purposes hereinafter appearing; It is
hereby enacted as follows:—

Short title and com-
mencement.

1. (1) This Act may be called the Indian
Income-tax (Provident Funds Relief) Act, 1929.

(2) It shall come into force on such date as the Governor General in
Council may, by notification in the *Gazette of India*, appoint.

2. To sub-section (3) of section 4 of the Indian Income-tax Act,
Amendment of section 1922 (hereinafter referred to as the said Act), the
4, Act XI of 1922. following clause shall be added namely:—

“(ix) Any income received by trustees on behalf of a recognised
provident fund as defined in clause (a) of section 58A.”

3. In sub-section (3) of section 15 of the said Act, after the word
and figure “section 7” the words “and any sums
Amendment of section 15, Act XI of 1922. exempted under sub-section (1) of section 58F”
shall be inserted.

Amendment of section
58, Act XI of 1922.

4. In section 58 of the said Act,—

(a) in the proviso to sub-section (1), after the word and figures
“section 57” the words, figures and letters “and under section
58H” shall be added; and

(b) in sub-section (2), after the word and figures “section 57” the
words, figures and letter “and section 58H” shall be inserted.

Insertion of new Chap-
ter IXA in Act XI of
1922.

5. After Chapter IX of the said Act the fol-
lowing Chapter shall be inserted, namely:—

"CHAPTER IXA.

SPECIAL PROVISIONS RELATING TO CERTAIN CLASSES OF PROVIDENT FUNDS.

Definitions. 58A. In this Chapter, unless there is anything repugnant in the subject or context,—

(a) a "recognised provident fund" means a provident fund which has been and continues to be recognised by the Commissioner, in accordance with the provisions of this Chapter;

(b) an "employer" means—

(i) a Hindu undivided family, company, firm or other association of individuals or persons, or

(ii) an individual engaged in a business, profession or vocation whereof the profits and gains are assessable to income-tax under section 10 or section 11,

maintaining a provident fund for the benefit of his or its employees;

(c) an "employee" means an employee participating in a provident fund, but does not include a personal or domestic servant;

(d) a "contribution" means any sum credited by or on behalf of any employee out of his salary, or by an employer out of his own monies, to the individual account of an employee, but does not include any sum credited as interest;

(e) the "balance to the credit" of an employee means the total amount to the credit of his individual account in a provident fund at any time;

(f) the "annual accretion" to the balance to the credit of an employee means the increase to such balance in any year, arising from contributions and interest;

(g) the "accumulated balance due" to an employee means the balance to his credit, or such portion thereof as may be claimable by him under the regulations of the fund, on the day he ceases to be an employee of the employer maintaining the fund; and

(h) the "regulations of a fund" means the special body of regulations governing the constitution and administration of a particular provident fund.

58B. (1) The Commissioner of Income-tax may accord recognition to any provident fund which, in his opinion, satisfies the conditions prescribed in section 58C and the rules made thereunder, and may, at any time, withdraw such recognition if, in his opinion, the provident fund contravenes any of those conditions.

(2) The Governor General in Council may, at his discretion, direct the Commissioner of Income-tax to refuse to accord recognition to any provident fund, or may, at any time, withdraw recognition from any recognised provident fund.

(3) An order according recognition shall take effect on such date as the Commissioner may fix in accordance with any rules the Central Board of Revenue may make in this behalf, such date not being later than the last day of the financial year in which the order is made.

(4) An order withdrawing recognition shall take effect from the day on which it is made.

(5) An employer objecting to an order of the Commissioner refusing to recognise a provident fund may appeal, within sixty days of such order, to the Central Board of Revenue.

The appeal shall be in the form and shall be verified in the manner prescribed by the Central Board of Revenue.

58C. (1) In order that a provident fund may receive and retain recognition it shall satisfy the conditions set out below and any other conditions which the Governor General in Council may, by rule, prescribe—

Conditions to be satisfied by a recognised provident fund.

- (a) All employees shall be employed in India, or shall be employed by an employer whose principal place of business is in British India.
- (b) The contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the employer from the employee's salary in that proportion, at each periodical payment of such salary in that year, and credited to the employee's individual account in the fund.
- (c) Subject to the provisions of section 58D, the contributions of an employer to the individual account of an employee in any year shall not exceed the amount of the contributions of the employee in that year, and shall be credited to the employee's individual account at intervals not exceeding one year.
- (d) The fund shall consist of contributions as above specified, of accumulation thereof, and of interest (simple and compound),

credited in respect of such contributions and accumulations, and of securities purchased therewith, and of no other sums.

- (e) The fund shall be vested in two or more trustees, under a trust which shall not be revocable save with the consent of all the beneficiaries.
- (f) The employer shall not be entitled to recover any sum whatsoever from the fund, save in cases where the employee is dismissed for misconduct or voluntarily leaves his employment otherwise than on account of ill-health or other unavoidable cause before the expiration of the term of service specified in this behalf in the regulations of the fund.

In such cases the recoveries made by the employer shall be limited to the contributions made by him to the individual account of the employee, and to interest (simple and compound) credited in respect of such contributions and accumulations thereof in accordance with the regulations of the fund.

- (g) The accumulated balance due to an employee shall be payable on the day he ceases to be an employee of the employer maintaining the fund.
- (h) Save as provided in clause (g) or in accordance with such conditions and restrictions as the Governor General in Council may, by rules, prescribe no portion of the balance to the credit of an employee shall be payable to him.

(2) Where there is a repugnance between any regulation of a recognised provident fund and any provision of this Chapter or of the rules made thereunder, the regulation shall, to the extent of the repugnance, be of no effect.

The Commissioner may, at any time, require that such repugnance shall be removed from the regulations of the fund.

58D. Subject to any rules which the Governor General in Council may make in this behalf, the Commissioner may, in respect of any particular fund, relax the provisions of condition (c) of sub-section (1) of section 58C—

Power to relax restrictions of employer's contributions in certain cases.

- (a) so as to permit the payment of larger contributions by an employer to the individual accounts of employees whose salary does not exceed five hundred rupees per mensem; and
- (b) so as to permit the crediting by employers to the individual accounts of employees of periodical bonuses or other contri-

butions of a contingent nature, where the calculation and payment of such bonuses or other contributions is provided for definite principles by the regulations of the fund.

58E. The annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund shall be deemed to have been received by him in that year and shall be included in his total income for that year, and, subject to the exemptions specified in section 58F, shall be liable to income tax and super-tax:

Annual accretion deemed to be Income received.

Provided that, for the purposes of sub-section (3) of section 15, out of such annual accretion only the employee's own contributions shall be included in his total income.

58F. (1) An employee shall not be liable to pay income-tax on contributions to his individual account in a recognised provident fund, in so far as the aggregate of such contributions in any year does not exceed one-sixth of his salary in that year.

Exemption of annual accretion from income-tax.

(2) In the accounts of a recognised provident fund, the contributions exempted from income-tax under sub-section (1) and accumulations thereof shall be shown separately, and interest thereon shall be calculated and shown separately. Such interest shall be exempt from payment of income-tax, in so far as it is allowed at a rate not exceeding such rate as the Governor General in Council may, by notification in the *Gazette of India*, fix in this behalf.

58G. Where an employee participating in a recognised provident fund has rendered continuous service with his employer for a period of not less than five years, and the accumulated balance due to him becomes payable, such accumulated balance shall be exempt from payment of income-tax and super-tax, and shall be excluded from the computation of his total income:

Exemption of accumulated balance from income-tax and super-tax.

Provided that the Commissioner of Income-tax may allow such exemption and exclusion where the employee has rendered continuous service with the employer for a period of less than five years, if, in his opinion, the service has been terminated by reason of the employee's ill-health, or by the contraction or discontinuance of the employer's business, or other cause beyond the control of the employee.

(2) Where exemption from payment of income-tax is not allowed under the provisions of sub-section (1), the Income-tax Officer shall calculate the total of the various sums of income-tax from the payment of which the contributions and interest credited to the employee's individual account have been exempted under the provisions of sub-sections (1) and

(2) of section 58F, and such total shall be payable by the employee, in addition to any other income-tax for which he may be liable for the year in which the accumulated balance due to him becomes payable.

58H. The trustees of a recognised provident fund or other person authorised by the regulations of the fund to make payment of accumulated balances due to employees, shall, at the time an accumulated balance due to an employee is paid, deduct therefrom any income-tax payable under sub-section (2) of section 58G and any income-tax and super-tax payable on an employee's total income as determined under sub-section (3) of section 58J, and sub-sections (4) to (9) of section 18 shall apply as if the sum to be deducted were income-tax payable under the head "Salaries".

58-I. (1) The accounts of a recognised provident fund shall be maintained by the trustees of the fund and shall be in such form and for such periods, and shall contain such particulars as the Central Board of Revenue may prescribe.

(2) The accounts shall be open to inspection at all reasonable times by Income-tax authorities, and the trustees shall furnish to the Income-tax Officer such abstracts thereof as the Central Board of Revenue may prescribe.

58J. (1) Where recognition is accorded to a provident fund with existing balances, an account shall be made of the fund up to the day before the day on which the recognition takes effect, showing the balance to the credit of each employee on such day, and containing such further particulars as the Central Board of Revenue may prescribe.

(2) The account shall also show in respect of the balance to the credit of each employee the amount thereof which is to be transferred to that employee's account in the recognised provident fund, and such amount (hereinafter called his transferred balance) shall be shown as the balance to his credit in the recognised provident fund on the date on which the recognition of the fund takes effect, and sub-sections (3) and (4) shall apply thereto.

Any portion of the balance to the credit of an employee in the existing fund which is not transferred to the recognised fund shall be excluded from the accounts of the recognised fund and shall be liable to income-tax and super-tax in accordance with the provisions of this Act other than this Chapter.

(3) Subject to such rules as the Central Board of Revenue may make in this behalf, the Income-tax Officer shall make a calculation of the aggregate of all sums comprised in a transferred balance which would have been

liable to income-tax if this Chapter had been in force from the date of the institution of the fund, without regard to any tax which may have been paid on any such sum, and such aggregate (if any) shall be deemed to be income received by the employee in the year in which the recognition of the fund takes effect, and shall be included in the employee's total income for that year; and, for the purposes of assessment, the remainder of the transferred balance shall be disregarded, but no other exemption or relief, by way of refund or otherwise, shall be granted in respect of any sum comprised in such transferred balance:

Provided that, in cases of serious accounting difficulty, the Commissioner shall have power subject to the said rules, to make a summary calculation of such aggregate.

(4) Notwithstanding anything contained in condition (h) of sub-section (1) of section 58C, an employee, in order to enable him to pay the amount of tax assessed on his total income as determined under sub-section (3), shall be entitled to withdraw from the balance to his credit in the recognised provident fund a sum not exceeding the difference between such amount and the amount to which he would have been assessed if the transferred balance had not been included in his total income.

(5) Nothing in this section shall affect the rights of the persons administering an unrecognised provident fund or dealing with it, or with the balance to the credit of any individual employee, before recognition is accorded, in any manner which may be lawful.

58K. (1) Where an employer who maintains a provident fund (whether recognised or not) for the benefit of his employees and has not transferred the fund or any portion of it, transfer such fund or portion to trustees in trust for the employees participating in the fund, the amount so transferred shall be deemed to be of the nature of capital expenditure.

(2) When an employee participating in such fund is paid the accumulated balance due to him therefrom, any portion of such balance as represents his share in the amount so transferred to the trustee (without addition of interest, and exclusive of the employee's contributions and interest thereon) shall be deemed to be an expenditure by the employer within the meaning of clause (ix) of sub-section (2) of section 10, incurred in the year in which the accumulated balance due to the employee is paid.

58L. (1) All rules made under this Chapter shall be subject to the provisions of sub-sections (4) and (5) of section 59.

(2) In addition to any power conferred by this Chapter, the Governor General in Council may make rules—

- (a) prescribing the statements and other information to be submitted with an application for recognition;
- (b) limiting the contributions to a recognised provident fund by employees of a company who are shareholders in the company;
- (c) providing for the assessment by way of penalty of any consideration received by an employee for an assignment of, or creation of a charge upon, his beneficial interest in a recognised provident fund;
- (d) determining the extent to and the manner in which exemption from payment of income-tax and super-tax may be granted in respect of contributions and interest credited to the individual accounts of employees in a provident fund from which recognition has been withdrawn; and
- (e) generally, to carry out the purposes of this Chapter and to secure such further control over the recognition of provident funds and the administration of recognised provident funds as he may deem requisite.

Application of this Chapter.

58M. This Chapter shall not apply to any provident fund to which the Provident Funds Act, 1925, applies."

ACT No. XXI OF 1930.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 4TH APRIL, 1930.

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and com- 1. (1) This Act may be called the Indian
mencement. Income-tax (Amendment) Act, 1930.

(2) It shall come into force on the 1st day of April, 1930.

Amendment of section 2. In section 2 of the Indian Income-tax Act,
2, Act XI of 1922. 1922 (hereinafter referred to as the said Act),—

(a) after clause (6) the following clause shall be inserted, namely:—

“(6A) ‘firm’ ‘partner’ and ‘partnership’ have the same meanings res-
IX of 1872. pectively as in the Indian Contract Act, 1872”; and

(b) for clause (14) the following shall be substituted, namely:—

(14) ‘registered firm’ means a firm registered under the provisions
of section 26A.

Amendment of section 3. In sub-section (4) of section 23 of the said
23, Act XI of 1922. Act,—

(a) after the word “judgment” the words “and, in the case of a
registered firm, may cancel its registration” shall be added;
and

(b) the following proviso shall be added, namely:—

“Provided that the registration of a firm shall not be cancelled until
fourteen days have elapsed from the issue of a notice by the

Income-tax Officer to the firm intimating his intention to cancel its registration."

Insertion of new section 23A in Act XI of 1922.

4. After section 23 of the said Act the following section shall be inserted, namely:—

"23A. (1) Where the Income-tax Officer is satisfied that any firm or other association of individuals carrying on any business, other than a Hindu undivided family or a company, is under the control of one member thereof, and that such firm or association has been formed or is being used for the purpose of evading or reducing the liability to tax of any member thereof, he may, with the previous approval of the Assistant Commissioner, pass an order that the sum payable as income-tax by the firm or association shall not be determined, and thereupon the share of each member in the profits and gains of the firm or association shall be included in his total income for the purpose of his assessment thereon.

Explanation.—A member of a firm or association who owns the whole or the major portion of the capital of the firm or association shall not by reason only of that fact be deemed to control the firm or association.

(2) Where the Income-tax Officer is satisfied that a company is under the control of not more than five of its members and that its profits and gains are allowed to accumulate beyond its reasonable needs existing and contingent, having regard to the maintenance and development of its business, without being distributed to the members, or that a reasonable part of its profits and gains, having regard to the said needs, has not been distributed to its members in such manner as to render the amount distributed liable to be included in their total income, and that such accumulation or failure to distribute is for the purpose of preventing the imposition of tax upon any of the members in respect of their shares in the profits and gains so accumulated or not distributed, the Income-tax Officer may, with the previous approval of the Assistant Commissioner, pass an order that the sum payable as income-tax by the company shall not be determined, and thereupon the proportionate share of each member in the profits and gains of the company, whether such profits and gains have been distributed to the members or not, shall be included in the total income of such member for the purpose of his assessment thereon:

Provided that this sub-section shall not apply to any company which is a subsidiary company or in which the public are substantially interested.

Explanation.—For the purpose of this sub-section,—

(a) a company shall be deemed to be a subsidiary company if, by reason of the beneficial ownership of shares therein, the

control of the company is in the hands of a company not being a company to which the provisions of this sub-section apply or of two or more companies none of which is a company to which those provisions apply;

- (b) a company shall be deemed to be a company in which the public are substantially interested if shares of the company (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) carrying not less than twenty-five per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and are at the end of the previous year beneficially held by, the public (not including a company to which the provisions of this sub-section apply), and if any such shares have in the course of such previous year been the subject of dealings in any stock exchange in British India or are in fact freely transferable by the holders to other members of the public;
- (c) unless the contrary is proved, a company shall be deemed to be under the control of any persons where the majority of the voting power or shares is in the hands of those persons or of relatives or nominees of those persons;
- (d) "nominee" means a person who may be required to exercise his voting power on the directions of, or holds shares directly or indirectly on behalf of, another person.

(3) The Assistant Commissioner shall not give his approval to any order proposed to be passed by the Income-tax Officer under this section until he has given the firm, association or company concerned an opportunity of being heard.

(4) (i) Where any member of a firm or association of individuals makes default in the payment of tax on his share of profits and gains which has been included in his total income under the provisions of sub-section (1), such tax may be recovered from the firm or association, as the case may be.

(ii) Where the proportionate share of any member of a company in the undistributed profits and gains of the company has been included in his total income under the provisions of sub-section (2), the tax payable in respect thereof shall be recoverable from the company and may be recovered from such member, if there are not sufficient funds in the hands of the company to pay the tax, or if the winding up of the company has commenced.

(iii) Where tax is recoverable from a company, firm or other association under this sub-section, a notice of demand shall be served upon it in the prescribed form showing the sum so payable, and such company, firm or association shall be deemed to be the assessee in respect of such sum, for the purposes of Chapter VI.

(5) Where tax has been paid in respect of any undistributed profits and gains of a company under this section, and such profits and gains are subsequently distributed in any year, the proportionate share therein of any member of the company shall be excluded in computing his total income of that year.

Insertion of new section 26A in Act XI of 1922.

5. After section 26 of the said Act the following section shall be inserted, namely:—

“26A. (1) Application may be made to the Income-tax Officer on behalf of any firm, constituted under an instrument of partnership specifying the individual shares of the partners, for registration for the purposes of this Act and of any other enactment for the time being in force relating to income-tax or supertax.

(2) The application shall be made by such person or persons, and at such times and shall contain such particulars and shall be in such form, and be verified in such manner, as may be prescribed; and it shall be dealt with by the Income-tax Officer in such manner as may be prescribed.”

Amendment of section 28, Act XI of 1922.

6. For section 28 of the said Act the following section shall be substituted, namely:—

“28. (1) If the Income-tax Officer, the Assistant Commissioner or the Commissioner, in the course of any proceedings under this Act, is satisfied that an assessee has concealed the particulars of his income or has deliberately furnished inaccurate particulars of such income, and has thereby returned it below its real amount, he may direct that the assessee shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the amount of the income-tax which would have been avoided if the income so returned by the assessee had been accepted as the correct income.

(2) If the Income-tax Officer, the Assistant Commissioner or the Commissioner, in the course of any proceedings under this Act, is satisfied that the profits of a registered firm have been distributed otherwise than in accordance with the share of the partners

as shown in the instrument of partnership registered under this Act governing such distribution, and that any partner has thereby returned, his income below its real amount he may direct that such partner shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the amount of income-tax which has been avoided, or would have been avoided if the income returned by such partner had been accepted as his correct income; and no refund or other adjustment shall be claimable by any other partner by reason of such direction.

(3) No order shall be made under sub-section (1) or sub-section (2), unless the assessee or partner, as the case may be, has been heard, or has been given a reasonable opportunity of being heard.

(4) No prosecution for an offence against this Act shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

(5) An Assistant Commissioner or a Commissioner, who has made an order under sub-section (1) or sub-section (2), shall forthwith send a copy of the same to the Income-tax Officer.

Insertion of new section 33A in Act XI of 1922.

7. After section 33 of the said Act the following section shall be inserted, namely:—

“33A. (1) Any person aggrieved by an order of an Income-tax Officer under sub-section (1) or sub-section (2) of section 23A may, within thirty days of the date on which he was served with notice of such order, lodge an appeal in the office of the Commissioner.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) The Commissioner shall refer such appeal, with a statement of his own opinion thereon, to a Board of Referees for decision; and the Board of Referees shall decide the appeal after hearing the appellant and any person deputed by the Commissioner:

Provided that, before making a reference to a Board of Referees, the Commissioner may, and at the request of the appellant shall, in exercise of his powers of revision under section 33, decide the matters in dispute, and thereupon the assessee may withdraw his appeal or proceed with it.

(4) The decision of the Board of Referees shall be forwarded to the Commissioner who shall transmit it to the Income-tax Officer

who passed the original order, and shall also send copies to each Income-tax Officer who has made any assessment consequent upon such order; and where a decision reverses or modifies the order of the Income-tax Officer, fresh assessments shall be made in accordance therewith, or such consequential adjustments as may be required shall be made in any assessment already made.

(5) The decision of a Board of Referees shall not be subject to appeal to any Income-tax authority, and shall not be revised by the Commissioner in exercise of his powers under section 33.

(6) A Board of Referees shall consist of not less than three and not more than five persons, of whom not less than one-half shall be non-officials having business experience, and one shall be a judicial officer not inferior in rank to a Subordinate Judge or a Judge of a Small Cause Court who has held judicial office for a period of not less than ten years.

(7) Subject to the provisions of sub-section (6), the Central Board of Revenue may make rules regulating the formation, composition and procedure of Boards of Referees."

Amendment of section
45, Act XI of 1922.

8. In section 45 of the said Act,—

(a) after the words "notice of demand" the words and figures "under sub-section (4) of section 23A or" shall be inserted; and

(b) after the word and figures "section 30" the words and figures "or under section 33A" shall be inserted.

Amendment of section
52, Act XI of 1922.

9. In section 52 of the said Act, after the word and figures "section 22" the words and figures "or sub-section (2) of section 26A" shall be inserted, and after the word and figures "section 32" the words and figures "or sub-section (2) of section 33A" shall be inserted.

Amendment of section
54, Act XI of 1922.

10. In sub-section (2) of section 54 of the said Act, after the first proviso the following proviso shall be inserted, namely:—

"Provided, further, that nothing in this section shall apply to the production by a public servant before a Court of any document, declaration of affidavit filed, or the record of any statement or deposition made in a proceeding under section 26A, or to the giving of evidence by a public servant in respect thereof."

Amendment of section
66, Act XI of 1922.

11. In sub-section (2) of section 66 of the said
Act,—

- (a) after the word and figures “section 32” the words and figures “or of a decision by a Board of Referees under section 33A” shall be inserted; and
- (b) after the word “order” in the second and third places where it occurs, the words “or decision” shall be inserted.

ACT No. XXII OF 1930.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 4TH APRIL, 1930.

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Income-tax (second Amendment) Act, 1930.

Amendment of section 14, Act XI of 1922. 2. In sub-section (2) of section 14 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act),—

(a) in clause (b), after the word “assessment” the word “or” shall be added; and

(b) the following clause shall be added, namely:—

“(c) any sum which he receives as his share of the profits or gains of an association of individuals, other than a Hindu undivided family, company or firm, where such profits or gains have been assessed to income-tax.

Amendment of section 25A, Act XI of 1922. 3. In section 25A of the said Act—

(a) in sub-section (1),—

(i) after the word “hitherto” the words “assessed as” shall be inserted, and

(ii) the words “before the end of the previous year” shall be omitted; and

(b) the following sub-section shall be added, namely:—

“(3) Where such an order has not been passed in respect of a Hindu family hitherto assessed as undivided, such family shall be deemed, for the purposes of this Act, to continue to be a Hindu undivided family.”

4. In section 30 of the said Act, after the word and figures "section 25," the words, figures and letter "or section 25A" shall be inserted.

Amendment of section 30, Act XI of 1922.

5. In sub-section (3) of section 31 of the said Act,—

(a) after the words "thereupon proceed to make such fresh assessment," the following shall be inserted, namely:—

"or, in the case of an order refusing to make a fresh assessment under section 27,

(c) confirm such order, or cancel it and direct the Income-tax Officer to make a fresh assessment,"; and

(b) clause (c) shall be re-lettered as clause (d).

6. In section 37 of the said Act, after the figures "228" the words and figures "and for the purposes of section 196" shall be inserted.

Amendment of section 37, Act XI of 1922.

7. In sub-sections (1), (2) and (3) of section 48 of the said Act, after the words "Income-tax Officer" the words "or other authority appointed by the Governor-General in Council in this behalf" shall be inserted.

Amendment of section 48, Act XI of 1922.

Amendment of section 50, Act XI of 1922.

8. In section 50 of the said Act,—

(a) after the word "recovered" the words "or before the last day of the financial year commencing after the expiry of the previous year, as defined in clause (11) of section 2, in which the income arose on which the tax was recovered, whichever period may expire later" shall be added; and

(b) the following proviso shall be added, namely:—

"Provided that a claim to refund under section 49 may be admitted after the period of limitation herein prescribed, when the applicant satisfies the Commissioner, or an Assistant Commissioner of Income-tax specially empowered in this behalf by the Central Board of Revenue, that he had sufficient cause for not making the claim within such period."

9. In clause (a) of the first proviso to sub-section (2) of section 54 of the said Act, the words and figures "section 193 of" shall be omitted.

Amendment of section 54, Act XI of 1922.

10. Section 60 of the said Act shall be numbered as sub-section (2) of section 60, and the following sub-section shall be added, namely:—

“(2) Where, by reason of any portion of an assessee’s salary being paid in arrears or in advance, his income is assessed at a rate higher than that at which it would otherwise have been assessed; the Governor General in Council may grant such relief as he may think fit.”

Amendment of section 66, Act XI of 1922. 11. In sub-section (2) of section 66 of the said Act,—

(a) for the words “within one month of the passing of an order under section 31 or section 32” the words “within sixty days of the date on which he is served with notice of an order under section 31 or section 32” shall be substituted;

(b) for the words “one month” in the second place where they occur, the words “sixty days” shall be substituted.

Insertion of new section 67A in Act XI of 1922. 12. After section 67 of the said Act the following section shall be inserted, namely:—

“67A. In computing the period of limitation prescribed for an appeal under this Act or for an application under section 66, the day on which the order complained of was made, and the time requisite for obtaining a copy of such order, shall be excluded.”

ACT No. XXIII OF 1930.

RECEIVED THE ASSENT OF THE GOVERNOR GENERAL, ON THE 4TH APRIL, 1930.

*An Act further to amend the Indian Income-tax Act, 1922,
for a certain purpose.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922 for the purpose hereinafter appearing ; It is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Income-tax (Third Amendment) Act, 1930.

Amendment of section 10, Act XI of 1922. 2. In sub-section (2) of section 10 of the Indian Income-tax Act, 1922, after clause (viii), the following clause shall be inserted, namely :—

“(viiiia) any sum paid to an employee as bonus or commission for services rendered, where such sum would not have been payable to him as profits or dividends if it had not been paid as bonus or commission :

Provided that the amount of the bonus or commission is of a reasonable amount with reference to—

- (a) the pay of the employee and the conditions of his service ;
 - (b) the profits of the business for the year in question ; and
 - (c) the general practice in similar businesses ;”.
-

ACT No. IV OF 1931.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 3rd March, 1931.)

*An Act further to amend the Indian Income-tax Act, 1922,
for a certain purpose.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1931.

2. In clause (e) of sub-section (1) of section 58C, of the Indian Income-tax Act, 1922, after the word "trustees" the words "or in the Official Trustee", shall be inserted.

Amendment of section
58C, Act XI of 1922.

ACT No. XII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 16th April, 1933.)

*An Act further to amend the Indian Income-tax Act, 1922,
for a certain purpose.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing; It is hereby enacted as follows:—

XI of 1922.

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1933.

(2) It shall come into force on the 1st day of April, 1933.

Amendment of section 4, Act XI of 1922.

2. In sub-section (2) of section 4 of the Indian Income-tax Act, 1922,—

- (a) for the words “Profits and gains of a business” the words “Income, profits and gains” shall be substituted, and before the word “profits”, where it occurs for the second time, the word “income,” shall be inserted;
- (b) the words “provided that they are so received or brought in within three years of the end of the year in which they accrued or arose” shall be omitted;
- (c) the following provisos shall be added, namely:—

“Provided that nothing contained in this sub-section shall apply to any income, profits or gains so accruing or arising prior to the 1st day of April, 1933, unless they are income, profits or gains of a business and are received in or brought into British India within three years of the end of the year in which they accrued or arose:

Provided further than nothing in this sub-section shall apply to income from agriculture arising or accruing in a State in India from land for which any annual payment in money or in kind is made to the State”; and

- (d) in the Explanation, before the word “profits” the word “income”, shall be inserted.
-

ACT No. XVIII OF 1933

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 11th September, 1933.)

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing: It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Income-tax (Second Amendment) Act, 1933.

Amendment of section
5, Act XI of 1922.

2. In section 5 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act),—

(a) for sub-section (3) the following sub-section shall be substituted, namely:—

“(3) The Governor General in Council may appoint a Commissioner of Income-tax for any area specified in the order of appointment.”;

(b) in sub-section (4),—

(i) for the words “in respect of such classes of persons and such classes of income” the words “in respect of such persons or classes of persons and of such incomes or classes of income” shall be substituted, and

(ii) after the words “in respect of such areas as the Commissioner of Income-tax may direct” the following words shall be inserted, namely:—

“and, where two or more Assistant Commissioners of Income-tax or Income-tax Officers have been appointed for the same area, in accordance with any orders which the Commissioner of Income-tax may make for the distribution and allocation of the work to be performed”;
and

(c) in sub-section (6), for the word "province" the word "area" shall be substituted.

3. In the first proviso to section 8 of the said Act, after the word "Provided" the word "further," shall be inserted, and before the said proviso as so amended the following proviso shall be inserted, namely:—

Amendment of section 8, Act XI of 1922.

"Provided that no income-tax shall be payable under this section by the assessee in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee:—"

4. For clause (iv) of sub-section (1) of section 9 of the said Act the following clause shall be substituted, namely:—

Amendment of section 9, Act XI of 1922.

"(iv) where the property is subject to a mortgage, or other capital charge, the amount of any interest on such mortgage or charge; where the property is subject to a ground rent, the amount of such ground rent; and where the property has been acquired with borrowed capital, the amount of any interest payable on such capital and not specifically charged upon the property itself;—"

5. For sub-section (2) of section 11 of the said Act the following sub-section shall be substituted, namely:—

Amendment of section 11, Act XI of 1922.

"(2) Such profits or gains shall be computed after making the following allowances, namely:—

(i) any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such profession or vocation, and not being personal expenses of the assessee;

(ii) in respect of depreciation of buildings and depreciation and obsolescence of machinery, apparatus, appliances, plant, furniture or other capital assets being the property of the assessee and used solely for the purposes of such profession or vocation, the allowances specified in clauses (vi) and (vii) of sub-section (2) of section 10 subject to all the conditions specified in those clauses."

6. In sub-section (1) of section 16 of the said Act, for the words and figure "the provisos to section 8" the words and figure "the second and third provisos to section 8" shall be substituted.

Amendment of section 16, Act XI of 1922.

Amendment of section 18. In section 18 of the said Act,—
18, Act XI of 1922.

- (a) sub-section (1) shall be omitted;
- (b) in sub-section (2), after the word “income-tax” the words “but not super-tax” shall be inserted;
- (c) in sub-section (3),—
 - (i) after the word “shall” the words “unless otherwise prescribed in the case of any security of the Government of India” shall be inserted,
 - (ii) after the word “income-tax” the words “but not super-tax” shall be inserted, and
 - (iii) the following proviso shall be added, namely:—

“Provided that where the Income-tax Officer gives a certificate in writing (which certificate he shall give in every proper case on the application of the assessee) that to the best of his belief the total income of a recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate, the person responsible for paying any income herein referred to such recipient shall, until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate, as the case may be.”

- (d) after sub-section (3) as so amended the following sub-sections shall be inserted, namely:—

“(3A) Where the Income-tax Officer has reason to believe that the total income of any person residing out of British India to whom any interest not being ‘Interest on Securities’ is payable, will in any year exceed the maximum amount which is not chargeable with super-tax under the law for the time being in force, he may, by order in writing, require the person responsible for paying such interest to such person to deduct at the time of payment income-tax and super-tax at the rates determined by the Income-tax Officer to be applicable to the total income of such person in that year.

(3B) Where the person responsible for paying any interest not being ‘Interest on Securities’ to any person pays to that person in any year an amount of such interest exceeding in the aggregate the maximum amount which is not chargeable with super-tax under the law for the time being in force, the

person responsible for paying such interest shall, if he has not reason to believe that the recipient is resident in British India, and no order under sub-section (3A) has been received in respect of such recipient, deduct at the time of payment income-tax on the total amount of such interest at the rate appropriate to such total, and super-tax on the amount by which such total exceeds the maximum amount not chargeable with super-tax at the rate applicable to such excess.

(3C) Where the Income-tax Officer has reason to believe that any person, who is a share-holder in a company, is resident out of British India and that the total income of such person will in any year exceed the maximum amount which is not chargeable to super-tax under the law for the time being in force, he may, by order in writing, require the principal officer of the company to deduct at the time of payment of any dividend from the company to the share-holder in that year super-tax at such rate as the Income-tax Officer may determine as being the rate applicable in respect of the income of the share-holder in that year.

(3D) If in any year the amount of any dividend or the aggregate amount of any dividends paid to any share-holder by a company (together with the amount of any income-tax payable by the company in respect thereof) exceeds the maximum amount of the total income of a person which is not chargeable to super-tax under the law for the time being in force, and the principal officer of the company has not reason to believe that the share-holder is resident in British India, and no order under sub-section (3C) has been received in respect of such share-holder by the principal officer from the Income-tax Officer, the principal officer shall at the time of payment deduct super-tax on the amount of such excess at the rate which would be applicable under the law for the time being in force if the amount of such dividend or dividends (together with the amount of such income-tax as aforesaid) constituted the whole total income of the share-holder.”;

- (e) in sub-section (5), after the word “income-tax” the words “or super-tax” shall be inserted;
- (f) in sub-section (7),—
 - (i) after the words “as required by” the words “or under” shall be inserted, and for the word “personally” the words “an assessee” shall be substituted, and

(ii) the following proviso shall be added, namely:—

“Provided that the Income-tax Officer shall not make a direction under sub-section (1) of section 46 for the recovery of any penalty from such person unless satisfied that such person has wilfully failed to deduct and pay the tax.”; and

(g) in sub-section (9), after the word “income-tax”, in both places where it occurs, the words “or super-tax” shall be inserted, and for the word, brackets and figure “sub-section (3)”, the words, brackets and figures “sub-sections (3), (3A), (3B), (3C) or (3D)” shall be substituted.

8. In section 19 of the said Act, for the words and figures “any other head than those mentioned in sub-section (1) of section 18” the words “any head other than ‘salaries’ or ‘interest on securities’” shall be substituted.

Amendment of section 19, Act XI of 1922.

Insertion of new section 20A in Act XI of 1922.

9. After section 20 of the said Act the following section shall be inserted, namely:—

“20A. The person responsible for paying any interest not being ‘Interest on Securities’ shall, on or before the fifteenth day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he has paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be prescribed in this behalf, together with the amount paid to each such person.”

Supply of information regarding interest.

Amendment of section 24, Act XI of 1922.

10. In section 24 of the said Act,—

(a) in sub-section (2), after the words “any member of such firm” the words “or any person who being a minor has been admitted to the benefits of partnership in such firm” shall be inserted; and

(b) to the same sub-section as so amended the following shall be added, namely:—

“or to his share of the benefits of partnership, as the case may be.”

Insertion of new sections 24A and 24B in Act XI of 1922.

11. After section 24 of the said Act, the following sections shall be inserted, namely:—

"24A. (1) When it appears to the Income-tax Officer that any person may leave British India during the current financial year, or shortly after its expiry, and that he has no present intention of returning, the Income-tax Officer may proceed to assess him on his total income for the period from the expiry of the last previous year for which he has been assessed to the probable date of his departure from British India. For each completed previous year included in this period an assessment shall be made on the total income of such person at the rate at which it would have been charged had such income been fully assessed, and for the period from the expiry of the last of such previous years to the probable date of departure, the Income-tax Officer shall estimate the total income of such person and assess it at the rate in force for the financial year in which such assessment is made:

Provided that nothing herein contained shall authorise an Income-tax Officer to assess any income, profits or gains which have escaped assessment or have been assessed at too low a rate in respect of which he is debarred from issuing a notice under section 34.

(2) For the purpose of making an assessment under sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish, within such time not being less than seven days as may be specified in the notice, a return in the same form and verified in the same manner as a return under sub-section (2) of section 22, setting forth (along with such other particulars as may be provided for in the notice) his total income for each of the completed previous years comprised in the period first referred to in sub-section (1) and his estimated total income for the period from the expiry of the last such completed previous year to the probable date of his departure; and the provisions of this Act shall, so far as may be, apply as if the notice were a notice issued under sub-section (2) of section 22.

24B. (1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge the tax assessed as payable by such person, or any tax which would have been payable by him under this Act if he had not died.

(2) Where a person dies before he is served with a notice under sub-section (2) of section 22 or section 34, as the case may be, the Income-tax Officer may serve on his executor, administrator or other legal representative a notice under sub-section (2) of

section 22 or under section 34, as the case may be, and may proceed to assess the total income of the deceased person as if such executor, administrator or other legal representative were the assessee.

(3) Where a person dies, without having furnished a return which he has been required to furnish under the provisions of sub-section (2) of section 22, or having furnished a return which the Income-tax Officer has reason to believe to be incorrect or incomplete, the Income-tax Officer may make an assessment of the total income of such person and determine the tax payable by him on the basis of such assessment, and for this purpose may require from the Executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which he might under the provisions of sections 22 and 23 have required from the deceased person."

Amendment of section
30, Act XI of 1922.

12. In section 30 of the said Act,—

- (a) in sub-section (1), after the words "objecting to a refusal of an Income-tax Officer" the words "to register a firm under section 26A or" shall be inserted, and
- (b) in sub-section (2), after the words "objected to" the words "or of the intimation of the refusal to register a firm under section 26A," shall be inserted.

Amendment of section
31, Act XI of 1922.

13. In sub-section (3) of section 31 of the said Act,—

- (a) after the words "in the case of an order refusing" the words "to register a firm under section 26A or" shall be inserted, and
- (b) in sub-clause (c), for the words "to make a fresh assessment" the words "to register the firm or to make a fresh assessment, as the case may be" shall be substituted.

14. In sub-section (1) of section 32 of the said Act, for the words "the making of such order" the words "the date on which he was served with notice of such order" shall be substituted.

Amendment of section
32, Act XI of 1922.

Amendment of section
38, Act XI of 1922.

15. To section 38 of the said Act the following clause shall be added, namely:—

- "(3) require any person whom he has reason to believe to be engaged in business, to furnish him with a return containing particulars

of the location and style of his principal place of business, and of his branch businesses, if any, the names and addresses of his partners in any business, and the extent of his own share and the share of all such partners in the profits of such business or businesses."

16. To sub-section (2) of section 46 of the said Act the following Amendment of section 46, Act XI of 1922. proviso shall be added, namely:—

"Provided that without prejudice to any other powers of the Collector in this behalf, he shall for the purpose of recovering the said amount have in respect of the attachment and sale of debts due to the assessee the powers which under the Code of Civil Procedure, 1908, a Civil Court has in respect of V of 1908. the attachment and sale of debts due to a judgment-debtor for the purpose of the recovery of an amount due under a decree."

Amendment of section 48, Act XI of 1922. 17. In section 48 of the said Act,—

(a) in sub-section (1),—

(i) after the word "declared" the following words shall be inserted, namely:—

"or that his total income in such year is below the minimum chargeable with income-tax," and

(ii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate applicable to the profits and gains of the company at the time of the declaration of such dividend, as the case may be";

(b) in sub-section (2),—

(i) after the words "registered firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted,

(ii) after the words "of that year" the following words shall be inserted, namely:—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(iii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate at which income-tax has been levied, as the case may be"; and

(c) in sub-section (3),—

(i) after the words “in that year” the following words shall be inserted, namely:—

“or that his total income of the previous year was below the minimum chargeable with income-tax,” and

(ii) after the words “between those rates” the following words shall be added, namely:—

“or at the rate at which income-tax has been deducted, as the case may be.”

Insertion of new section 48A in Act XI of 1922.

18. After section 48 of the said Act, the following section shall be inserted, namely:—

“48A. (1) If in any case not provided for by section 48 or by the provisions relating to refunds elsewhere contained in this Act the Income-tax Officer is satisfied, upon claim made in this behalf, that tax has been paid by or on behalf of any person with which he was not properly chargeable or which was in excess of the amount with which he was properly chargeable, the Income-tax Officer shall allow a refund to such person of the amount so paid or so paid in excess.

(2) The Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision if satisfied to the like effect shall in like manner cause a refund to be made by the Income-tax Officer of any amount found to have been wrongly paid or paid in excess.

(3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief.”

Insertion of new section 49A and 49B in Act XI of 1922.

19. After section 49 of the said Act the following sections shall be inserted, namely:—

“49A. Where under any of the provisions of this Act, a refund is found to be due to any person, the Income-tax Officer, Assistant Commissioner or Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded, or any part of that amount against the tax, if any, remaining payable by the person to whom the refund is due.

Power to set off amount of refunds against tax remaining payable.

49B. Where through death, incapacity, bankruptcy, liquidation or other cause, a person, who would but for such cause have been entitled to a refund under any of the provisions of this Act, or to make a claim under sections 48 or 48A or 49, is unable to receive such refund or to make such claim, his executor, administrator or other legal representative, or the trustee or receiver, as the case may be, shall be entitled to receive such refund or to make such claim for the benefit of such person or his estate."

Insertion of new section 50A in Act XI of 1922.

20. After section 50 of the said Act, the following section shall be inserted, namely:—

"50A. (1) Any person objecting to a refusal of an Income-tax Officer to allow a claim to a refund under section 48 or 48A or 49 or to the amount of the refund made in any such case, may appeal to the Assistant Commissioner.

Appeal against refusal of refund.

(2) The appeal shall be presented within thirty days of the date on which the refusal of the refund or the amount of the refund allowed was communicated to the appellant.

(3) The appeal shall be made in the prescribed form and shall be verified in the prescribed manner.

(4) The Assistant Commissioner may, after giving the appellant an opportunity of being heard, pass such orders as he thinks fit."

21. In clause (c) of section 51 of the said Act, after the word and figures "section 19A," the word and figures "section 20A," shall be inserted.

Amendment of section 51, Act XI of 1922.

22. In section 52 of the said Act, after the words and figures "section 19A or" the words and figures "section 20A or" shall be inserted, and after the word and figures "section 33A" the words and figures "or sub-section (3) of section 50A" shall be inserted.

Amendment of section 52, Act XI of 1922.

23. In the first proviso to sub-section (2) of section 54 of the said Act, after clause (c), the following clause shall be inserted, namely:—

Amendment of section 54, Act XI of 1922.

"(cc) of any such particulars occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899, to impound an insufficiently stamped document, or".

II of 1899.

24. In section 57 of the said Act, sub-sections (2) and (3) shall be omitted, and sub-section (4) shall be renumbered as sub-section (2).

Amendment of section 57, Act XI of 1922.

Amendment of section
58, Act XI of 1922.

25. In section 58 of the said Act,—

(a) in sub-section (1),—

(i) for the word “except” the words “relating to the charge, assessment, collection and recovery of income-tax except those contained in” shall be substituted, and for the words and figure “the provisos to section 8” the words and figure “the second and third provisos to section 8” shall be substituted,

(ii) the figures “18,” where they occur between the figures “17” and “19,” shall be omitted,

(iii) for the word and figures “and 48” the words, figures and letters “48, 58F” and sub-sections (2) and (3) of section 58G” shall be substituted, and

(iv) the proviso shall be omitted; and

(b) in sub-section (2), before the word and figures “section 57” the words, brackets, figures and letters “sub-sections (3A), (3B), (3C) and (3D) of section 18” shall be inserted.

Amendment of section
58G, Act XI of 1922.

26. In section 58G of the said Act,—

(a) sub-sections (1) and (2) shall be re-numbered as sub-sections (2) and (3), and before sub-section (2) as so re-numbered the following sub-section shall be inserted, namely:—

“(1) Where the accumulated balance due to an employee participating in a recognised provident fund becomes payable, such accumulated balance shall be exempt from payment of super-tax except to the extent of an amount equal to the aggregate of the amounts of super-tax on annual accretions that would have been payable under section 58E, up to the first day of April, 1933, if the Indian Income-tax (Second Amendment) Act, 1933, had come into force on the 15th March, 1930.”;

(b) in sub-section (2) as now re-numbered, the words “and super-tax” shall be omitted; and

(c) in sub-section (3) as now re-numbered, for the word, brackets and figure “sub-section (1),” the word, brackets and figure “sub-section (2)” shall be substituted.

27. In sub-section (2) of section 60 of the said Act, after the words

Amendment of section
60, Act XI of 1922.

“in advance” the words “or by reason of his having received in any one financial year salary for more than twelve months” shall be inserted.

Amendment of section
66, Act XI of 1922.

28. In section 66 of the said Act,—

(a) in sub-section (2), after the word and figures “section 32” the words and figures “or of an order under section 33 enhancing an assessment or otherwise prejudicial to him” shall be inserted;

(b) before the existing proviso to sub-section (2) the following proviso shall be inserted, namely:—

“Provided that a reference shall lie from an order under section 33 only on a question of law arising out of that order itself, and not on a question of law arising out of a previous order under section 31 or section 32, revised by the order under section 33:”;

(c) in the existing proviso to sub-section (2),—

(i) after the word “Provided” the word “further” shall be inserted,

(ii) after the word “question” the following words shall be inserted, namely:—

“or if the Commissioner rejects the application on the ground that it is time-barred or otherwise incompetent, or if, in exercise of his powers under sub-section (3), the Commissioner refuses to state the case,” and

(iii) after the word “may” the words “within thirty days from the date on which he receives notice of the order passed by the Commissioner” shall be inserted;

(d) after sub-section (3) the following sub-section shall be inserted, namely:—

“(3A) If, on any application being made under sub-section (2), the Commissioner rejects it on the ground that it is time-barred, the assessee may, within two months from the date on which he is served with notice of the order of the Commissioner, apply to the High Court, and the High Court, if it is not satisfied of the correctness of the Commissioner’s decision, may require the Commissioner to treat the application as made within the time allowed under sub-section (2).”; and

(e) after sub-section (7) the following sub-section shall be inserted, namely:—

“(7A) Section 5 of the Indian Limitation Act, 1908, shall
IX of 1908. apply to an application to the High Court by an assessee under sub-section (3) or sub-section (3A).”

ACT No. XXIX OF 1934.

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 31ST AUGUST, 1934.

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922 for the purpose hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Indian Income-tax (Amendment)
Short title. Act, 1934.

- Amendment of section 49, Act XI of 1922. 2. In section 49 of the Indian Income-tax Act, 1922—

(a) In sub-section (1),—

(i) after the words “between the Indian rate of tax” the words
“or the appropriate rate of United Kingdom income-tax,
whichever is less,” shall be inserted, and

(ii) the proviso shall be omitted; and

(b) to sub-section (2) the following clause shall be added, namely:—

“(d) the expression ‘appropriate rate of United Kingdom income-tax’ has the meaning assigned to that expression in section 27 of the Finance Act, 1920 as amended by the Finance Act, 1927.”

ACT No. IV OF 1937

RECEIVED THE ASSENT OF THE GOVERNOR-GENERAL
ON THE 4TH MARCH, 1937.

*An Act further to amend the Indian Income-tax Act, 1922,
for certain purposes.*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Indian Income-tax (Amendment) Act, 1937.

2. To section 16 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), the following sub-
Amendment of section 16, Act XI of 1922. section shall be added namely:—

“(3) In computing the total income of any individual for the purpose of assessment, there shall be included—

(a) so much of the income of a wife or minor child of such individual as arises directly or indirectly—

(i) from the membership of the wife in a firm of which her husband is a partner;

(ii) from the admission of the minor to the benefits of partnership in a firm of which such individual is a partner;

(iii) from assets transferred directly or indirectly to the wife by the husband otherwise than for adequate consideration or in connection with an agreement to live apart; or

(iv) from assets transferred directly or indirectly to the minor child, not being a married daughter, by such individual; and

(b) so much of the income of any association of individuals consisting of such individual and his wife as arises from assets transferred to the association by such individual.”

3. To sub-section (5) of section 18 of the said Act the following
Amendment of section 18, Act XI of 1922. proviso shall be added, namely:—

“Provided further that where such person or owner is a person whose income is included under the provisions of sub-section (3) of section 16 in the total income of another person that person shall be deemed to be the person or owner on whose behalf payment has been made and to whom credit shall be given in the assessment for the following year.”

Amendment of section 48, Act XI of 1922. 4. After sub-section (3) of section 48 of the said Act the following sub-section shall be inserted, namely:—

“(3A) Where the share-holder referred to in sub-section (1), or the member of a registered firm or the minor admitted to the benefits of partnership referred to in sub-section (2), or the owner of security referred to in sub-section (3) is a person whose income is included under the provisions of sub-section (3) of section 16 in the total income of another person, the provisions of sub-sections (1), (2) and (3) shall apply as if that person were himself the person entitled to a refund under those sub-sections.”

5. The amendment made in the said Act by section 2 shall not have effect
Operation of section 2. in respect of any income chargeable to income-tax
for any year ending before the 1st day of April, 1937.

REPORT OF THE SELECT COMMITTEE ON THE INCOME-TAX AMENDMENT BILL, 1938.

(PRESENTED TO THE LEGISLATIVE ASSEMBLY ON NOVEMBER, 10, 1938.)

We, the members of the Select Committee appointed to consider the
Bill further to amend the Indian Income-tax Act,
Papers Nos. I & II 1922, have examined the Bill and the papers noted
in the margin and have now the honour to submit
this our Report with the Bill as amended by us annexed.

We are of opinion that the Bill should contain provisions for the introduction of a further appellate authority, of an independent nature, for the hearing of appeals from decisions of Appellate Assistant Commissioners. The limited time at our disposal and the complicated nature of the adjustments that would be necessary for this purpose have prevented us from giving effect to our views in the Bill itself, and have reconciled us to awaiting proposals on the subject which Government undertakes to put forward at the consideration stage.

On the general lines to be followed by those proposals we are agreed; but we are also agreed that the introduction of the new appellate body may be postponed for a period not exceeding two years, to avoid the possibility of undue dislocation. The new appellate body should consist of a tribunal composed of not less than two members chosen from each of two categories of a panel of some eight or ten members comprising legal members with qualifications such as are normally required for appointment as a District Judge and technical members recruited from among persons with professional experience of accountancy. We think that when the panel is being appointed, persons discharging the functions of Appellate Assistant Commissioners under the existing system should be eligible for appointment. We think that the selection of members of the panel should be made after consultation with the Public Service Commission, and that members should not during their tenure of office, have any other connection with the public administration. Power to regulate the procedure of tribunals should be vested in them or in the panel from which they are constituted, and the chairman or the president of the panel should have the necessary powers to select the members of the tribunals. When the tribu-

nals come into operation the revisory powers at present exercised by the Commissioner of Income-tax should disappear, but he should have power to direct the filing of appeals to the tribunal against decisions of an Appellate Assistant Commissioner. The Commissioner's power of stating a case to the High Court will also disappear. The ordinary period of limitation for an appeal to the tribunal should be two months, and a substantial fee should be imposed in order to discourage petty or frivolous appeals and ensure that a large body of appeals will be disposed of finally by Appellate Assistant Commissioners. There should be no appeal from the tribunal but the assessee or an Income-tax Officer should be able to make application to the tribunal to refer questions of law to the High Court, the period of limitation in this case being extended to ninety days.

We anticipate that proposals on these lines when moved in the House will receive a large measure of support. The Bill proceeds on the assumption that the "Slab" System of rates of tax will be adopted. We are of opinion that this system is definitely preferable to the present "step" system, but we wish to reserve our right to criticize any particular application of it which may be included in the annual Finance Bill.

The changes we have made in the Bill are briefly explained in the paragraphs which follow. References to clauses are to the clauses as now re-numbered in consequence of the introduction of a new clause after clause 12, the omission of clause 31, and the introduction of new clauses after clause 53 and clause 66. When a change of number has taken place the number previously attached to the clause is given in brackets after the present number.

CLAUSE 2.—We have recast and expanded the definition of "dividend," primarily in order to ensure that no distribution falling under this head shall be taxed unless there is a release of assets. Under the amended definition a debenture will when issued be treated as a dividend but an ordinary bonus share will not be liable to taxation until it is actually paid off. The definition further secures that accumulated profits distributed on the liquidation of the company shall only be included in dividend for the purposes of taxation; if they arose within six years of the liquidation. Clause (d) of the revised definition provides for the case in which a company tries to disguise a distribution of profits as a reduction of capital. The words inserted in the new sub-clause (c) of clause (11) of Section 2 of the Act by clause 2 (e) (iii) of the Bill merely make a correction overlooked in the Bill, and necessary in view of the revised wording of Section 10 of the Act.

CLAUSE 3.—We have introduced a reference to "local authority" since local authorities will now be assessable to the extent to which the previously existing exemption given by clause (iii) of sub-section (3) of Section 4 of the Act is now being restricted.

CLAUSE 4.—The first proviso newly inserted in clause (c) of proposed sub-section (1) of Section 4 of the Act is aimed at removing the possibility, now that in the case of residents the remittance basis of taxation is abandoned for the accrual basis, of both foreign profits which accrued in the previous year and foreign profits which were remitted in the previous year being assessed in the first year after the change.

The alterations made in the second proviso merely clarify the drafting.

Explanation 2 has not been altered, but the Committee records its opinion in connection with this Explanation that the Central Government should approach His Majesty's Government to amend the Government of India Act, 1935, so as to make pensions payable out of Indian revenues chargeable to Indian income-tax.

Explanation 3, newly inserted by us, has the effect of making liable to super-tax dividends paid outside British India in so far as they are paid out of profits subjected to income-tax in British India. It also makes it clear that refunds of income-tax can be claimed on such dividends. To the extent to which this Explanation enlarges the taxation imposed under the Bill we recognise that it is not covered by the sanction accorded to the Bill before introduction, and so requires sanction before it can be moved in the House.

We have received an assurance that administrative arrangements can and will be made to obviate any hardship that might be imposed, in consequence of the change to the accrual basis of taxation, on persons prevented by laws in force in the country where their money may be lying from remitting money to British India as and when they wish.

CLAUSE 5.—The change made in the drafting of clause (a) of proposed Section 4A of the Act adopts the wording suggested in the Income-tax Enquiry Report, 1936, which is based on draft clause 6 of the draft Income-tax Bill appended to the report of the United Kingdom Income-tax Codification Committee presented to Parliament in April, 1936. The change in clause (b) of the section merely omits the word "Central."

CLAUSE 6.—The addition made to sub-section (2) of Section 5 of the Act is intended to make possible the establishment at a central or headquarters station under the Central Board of Revenue of special branches for work of special difficulty or importance. The change made in sub-section (7) is merely a drafting improvement, while that made in sub-section (8) is consequential on the provision made in sub-section (2) for the existence of Commissioners of Income-tax whose jurisdiction is not defined by areas. The new sub-section (9) inserts a provision contained in the English law explicitly asserting the controlling power of the superior Revenue Authority over its officers.

CLAUSE 8.—Some apprehension was expressed that under Section 7 of the Act as now amended, an employee might find himself called on to pay income-tax on salary which was not and never would be paid to him. We have received an assurance that administrative action can and will be taken to obviate any such hardship.

CLAUSE 9.—In clause (iv) of sub-section (1) of Section 9 as redrafted by the Bill, we have removed the words “was at the time of its acquisition by the assessee,” in both places where they occur, and substituted the word “is.” The effect is to secure, as the Act does at present, that the allowance is claimable no matter when and for what purpose the mortgage or charge arises. The words inserted in the proviso to that clause are intended to make it clear that the payment of tax referred to is not confined merely to cases in which payment has been made by deduction under Section 18. The alteration made in clause (vii) of sub-section (1) of Section 9 of the Act is intended to remove the discretion formerly given to the Income-tax Officer to determine the amount of the allowance to be made in respect of vacancies.

CLAUSE 10.—The first change in sub-clause (b) improves the wording of clause (i) of sub-section (2) of Section 10 of the Act. The verbal change indicated in the proviso contained in sub-clause (b) (ii) of the Bill has the same purpose as the similar change already referred to in clause 9 and to be found also in our revision of clause 12. The other change indicated in clause 10 (b) (iii) of the Bill has the effect of altering the proposals relating to depreciation which were contained in the Bill. Taken along with the second proviso now added to the definition, contained in sub-section (5) of Section 10 of the Act, of the words “written down value” this alteration substitutes for the proposals regarding depreciation contained in the Bill provisions which remove the restriction of depreciation to the amount written off in the books of the assessee, remove the restriction to six years of the carry forward of depreciation, and secure that depreciation which is un-absorbed at the time when the law is changed shall not be deducted from the original cost of plant, machinery etc., in arriving at the written down value. The effect of this provision is to spread the writing-off of the un-absorbed depreciation over a longer period. The proposals contained in the Bill limited the amount of depreciation to the amount written-off in the books of the assessee and treated depreciation arising after the change of the law as a loss like other losses, so that it could be carried forward only for six years. Depreciation un-absorbed at the time of the change of the law was to be carried forward without time limit until it was absorbed but was to be deducted from, that is to say, allowed against, profits before any further allowance for depreciation was to be made for any particular year subsequent to the change of the law.

Government have given us an assurance that the new rates consequent on the change from the cost basis to the written down basis will be discussed with the interests concerned before they are fixed, and that the new provisions will not be brought into operation until the rates have been so fixed.

The main change made in clause (xi) of sub-section (1) of the Act, as amended by clause 10 (b) (vi) of the Bill, makes it clear that irrecoverable loans in a banking or money-lending business are to be allowed for. A minor drafting change is also made.

The re-draft of Section 10 (2) (xii) of the Act contained in Clause 10 (b) (vii) of the Bill substitutes the wording of the English Act for the wording adopted in the Indian Act.

The words now inserted in the new sub-section (4) of Section 10 of the Act, as substituted by Clause 10 (c) of the Bill, provide for the grant of some relief, now that the system of taxation is changed to the accrual basis, where double income-tax relief is not given in the country where the profits accrue or arise. The second change shown in the sub-section is similar to that already referred to in connection with clause 9, and found also in Clause 12.

In the new sub-section (5) of Section 10 of the Act, in addition to the change already referred to in the definition of "written down value," we have inserted a reference to vehicles in the definition of "plant" and we have made a verbal change of the word "allowed" to the word "allowable."

We have also added a proviso, already referred to in our remarks above on Clause 10 (b) (iii), to ensure that depreciation allowance due for a year prior to the change of the law but un-absorbed shall not be deducted from original cost in arriving at the written down value.

The new sub-section (7) which has been added to Section 10 has the object of including in the Act and placing on a statutory basis the provisions relating to the computation of the profits and gains of insurance business which were formerly contained in rules made by the Central Board of Revenue under the power conferred by Section 59 of the Act.

CLAUSE 12.—The changes made have already been explained in our remarks on Clause 9.

CLAUSE 13 (NEW CLAUSE).—This introduces into the Act a new provision for the special case in which managing agency commission is shared among two or more recipients and provides a means by which each of the recipients may be charged only on the share which he is actually entitled to receive.

CLAUSE 16 (OLD 15).—We have increased the limit imposed on sums exempted from income-tax by reason of payments for life insurance and contributions to Provident Funds from six thousand rupees to twelve thousand rupees in the case of a Hindu undivided family. The second change made in this clause is merely a drafting improvement.

CLAUSE 17 (OLD 16).—We have supplemented clause (c) of the new sub-section (1) of Section 16 of the Act by the addition of two definitions, the first explaining the term “revocable” and the second explaining the terms “settlement or disposition” and “settlor or disposer.”

The change made in sub-section (3) of Section 16 of the Act, as amended by sub-clause (b) of this clause of the Bill, introduces into clause (b) of sub-section (3) of Section 16 of the Act the words “otherwise than for adequate consideration” which are already to be found in clause (a) (iii) of that sub-section and had previously been omitted by oversight.

CLAUSE 18 (OLD 17).—We have omitted from Section 17 of the Act the first sub-section which had the effect of basing the individual liability of each of two married persons on the combined income of both.

The reference to Burma introduced in sub-section (1) of Section 17 of the Act is made for the purpose of according to States in Burma the same treatment as is accorded by the Burman law to States in India.

The words inserted in sub-section (2) of section 17 of the Act are necessary, because an unregistered firm may under Section 23 (5) of the Act be assessed as a registered firm and the present sub-section is not intended to apply where an unregistered firm is so assessed.

CLAUSE 23 (OLD 22).—In sub-section (1) of Section 22 of the Act we have altered the wording so as to require the notice under that sub-section to be published both in the press and also in the prescribed manner instead of allowing publication in either manner.

It has been made clear to us that notwithstanding such publication of notices Government intend that notices shall as hitherto be served on all persons believed to have incomes liable to assessment.

CLAUSE 24 (OLD 23).—The omission of the matter indicated by asterisks in sub-clause (a) has the effect of securing that a specific notice under sub-section (2) of Section 22 must be served on the assessee before an assessment under sub-section (4) of Section 23 can be made.

CLAUSE 25 (OLD 24).—In the proposed new sub-section (1) of Section 23-A of the Act the first change indicated by asterisks and by the insertion of the words “by any company” has the effect of extending the scope of the section to all companies and not merely to companies which are under

the control of not more than five persons. We have restored the words, "with the previous approval of the Inspecting Assistant Commissioner" which though already in the Act were omitted in the re-draft of the sub-section proposed in the Bill. The change made in the proviso covers cases where the accumulated undistributed profits exceed the value of the fixed assets or the paid up capital taken with loan capital belonging to shareholders, whichever is greater. We have added an additional proviso in order to make allowance for possible cases of error in which, though the full sixty per cent. of the assessable income of the company has not been actually distributed, an amount exceeding fifty-five per cent. has been distributed. In such cases we consider that the company should be given a reasonable opportunity of escaping the operation of the section by revising its distribution within three months. The removal of the reference to subsidiary companies supplements the first change made in the section and secures the application of the section to all companies except companies in which the public are substantially interested in the sense defined in the *Explanation*. The deletion of clauses (a), (c) and (d) in the *Explanation* is consequential on the changes made in the main part of the sub-section.

CLAUSE 26 (OLD 25).—In sub-section (2) of Section 24 of the Act as amended by this clause, the words now inserted rectify an omission. The sub-section as drafted in the Bill failed to render impossible claims based upon losses sustained many years before the present changes in the law.

CLAUSE 28 (OLD 27).—The omission made in sub-section (2) of Section 24B of the Act ensures that the executor, administrator or other legal representative can only be assessed after he has been served with a specific notice under sub-section (2) of Section 22.

CLAUSE 31 (OLD 30).—The words added to the proviso to sub-section (2) of Section 26 of the Act give an explicit right to the person by whom tax properly payable by another is paid to recover any amount so paid from that other person.

Clause 31 (of the Bill as introduced).—The omission of this clause has the effect of restoring Section 27 of the Act. We consider that the deletion of Section 27 though coupled with the grant of the right of appeal against assessments under Section 23 (4) of the Act made the position of the assessee worse than it was under the existing law.

CLAUSE 32.—In the proposed new sub-section (1) of Section 28 of the Act we have provided that accidental failure to furnish the returns referred to shall not be visited with penalty; and by our changes in the proviso to the sub-section we have restricted the penalty for failure to comply with the general notice under sub-section (1) of Section 22 of the Act to assessee whose income is not less than three thousand five hundred

rupees, and we have reduced to a maximum of twenty-five rupees the penalty for failure to comply with the notice under Section 22 (2) of the Act where the person failing is proved to have no income liable to tax. We have omitted clause (c) of the proviso contained in the Bill as introduced in the belief that it is unnecessary.

CLAUSE 34.—The first two changes indicated in sub-clause (a) of the clause and the change in sub-clause (b) restore references to Section 27 of the Act. These have again become necessary since we have decided to retain that section (see note on clause 31 of the Bill as introduced). The change made in sub-clause (a) (v) [now (iv)] of clause 34 has the effect of restoring in sub-section (1) of Section 30 of the Act the original proviso omitted by the Bill, which enacted that no appeal shall lie in respect of an assessment made under sub-section (4) of Section 23 or under that sub-section read with Section 27. A mistaken reference to Section 43C has been removed in two places in this clause and in one place in clause 35 and a reference to Section 49E has been introduced in each case consequentially upon the insertion of new sections in the Act.

CLAUSE 35.—The change made has the effect of restoring to the Act references to Section 27 which were deleted in consequence of the proposed omission of that section.

CLAUSE 39.—The proposals contained in the Bill adopted the period of six years uniformly as the limit for the carrying forward of losses under Section 24, for pursuing income which has escaped assessment under Section 34, for the rectification of errors under Section 35 and for the claiming of refunds under Section 50. We have decided to retain six years as the limit for the carrying forward of losses under Section 24, but we think that in all the other cases the limit should be a period of four years except that it should be extended to eight years, where income has escaped assessment in consequence of the assessee having concealed the particulars of his income or deliberately furnished inaccurate particulars of his income. The changes made in this clause and in clause 40 give effect to this decision.

The change of the expression “is of opinion” to “discovers” in sub-clause (a) of this clause brings the wording of sub-section (1) of Section 34 into accord with the wording of the corresponding English provision. A minority of us desired further changes to be inserted in the sub-section.

CLAUSE 42.—In the new clause (3) of sub-section (1) of Section 38 proposed by the Bill we have substituted for the vague expression “or the like” the definite expression “royalty or brokerage, or any annuity not being an annuity taxable under the head ‘Salaries’.” The annuities so described are mainly those paid by life insurance companies. We have revised the proposed sub-section (2) of Section 38 so as to reduce the powers which the Bill proposed to give to Income-tax Officers and Ins-

pectors. The wide powers of entry are taken away, and entry is made possible only when the Commissioner has given a written authorisation. A minority of us are still dissatisfied with the sub-section in the form which it now takes.

CLAUSE 45.—No change has been made in this clause; but in connection with Section 42 and Section 43 of the Act we considered certain difficulties which arose in the application of the agency principle to “hedging and staraddling” operations when these operations take place through a person carrying on a *bona fide* business as broker in British India and a foreign broker acting for an undisclosed foreign principal. We feel that some provision should be inserted in the Act to ensure that the British Indian broker shall not in such a case be deemed to be an agent of the foreign principal. The limited time at our disposal has prevented us from making specific provision to this end in the Bill, but we understand that Government will bring forward proposals on the subject at the consideration stage.

CLAUSE 46.—The addition made to Section 44 of the Act is intended to ensure that all privileges accorded by the Chapter IV shall be available to an assessee assessed under this section.

CLAUSE 48.—We have revised proposed Section 44D and we have added two new sections to that which the clause proposed to insert in the Act.

The changes made in Section 44D remove certain defects in the provisions relating to evasion of tax by transfer of assets. Transfers to persons resident in but not domiciled in British India are now covered, and by sub-section (2) evasion by transfers resulting in payment of income disguised in the form of loans, or payments made without adequate consideration, is provided for. By sub-section (3) it is provided that a transfer must be untainted by any purpose of avoidance in order to escape the mischief of the section, and the addition of a new clause in sub-section (7) clarifies the position of companies incorporated outside but resident in British India.

The new Sections 44E and 44F are designed to prevent avoidance of tax by what are known as “bond-washing” transactions, involving the manipulation of securities so that the securities will pass temporarily in the legal ownership of some second person who is either not liable at all or liable in a lesser degree to tax, under such conditions that the interest on the securities is the income of this second person. A common form of the process is the sale of securities *cum* interest with a simultaneous contract to repurchase them *ex-interest*. Where foreign securities are concerned this second person may be a foreigner resident abroad entitled to claim exemption from the tax on the interest. More often a financial concern in India is utilised whose computation of profits includes the results of realising securities, so that the concern can profitably offer “bond-washing” facilities

to the owner of securities bearing fixed interest, where the owner himself is not liable to taxation on the realisation of the securities.

CLAUSE 51.—The new sub-section (2) inserted in Section 48 as amended by this clause inserts the provisions of Sections 48A (2) which were incorrectly omitted when the present simplified Section 48 was substituted for the whole of Sections 48 and 48A. It preserves the power of the Assistant Commissioner and of the Commissioner to order refunds to be made.

The change made in sub-section (3) of Section 48 is a drafting improvement.

CLAUSE 53.—We have removed the two new sub-sections which were inserted in Section 49 of the Act by this clause, and have reproduced their contents in new Sections 49B and 49C dealt with in clause 54 of the Bill.

A minority of us desired to omit Section 49 from the Act, and request that the Governor-General's sanction to the moving of an amendment to this end, if held to be necessary, may be obtained.

CLAUSE 54 (NEW CLAUSE).—The new Section 49A introduced by this clause provides for the possibility of the grant of relief for double income-tax payments in certain cases to which Section 49 does not apply. Sections 49B and 49C reproduced in a more appropriate place and from the provisions contained in sub-sections (2) and (3) of Section 49 of the Act as it was recast by the Bill.

CLAUSE 55 (OLD 54) AND 56 (OLD 55).—The changes made are consequential on the insertion of the new Sections now numbered 49A, 49B and 49C.

CLAUSE 57 (OLD 56).—The change of "six years" to "four years" is in accordance with the decision to which reference is made in our remarks on clause 39.

CLAUSE 59 (OLD 58).—The alteration has the effect of removing the penalty otherwise impossible on failure to comply with the general notice issued under sub-section (1) of Section 22 of the Act.

CLAUSE 60 (OLD 59).—We have omitted the second sub-clause of this clause, thereby removing from Section 52 of the Act the words "without prejudice to any other penalty to which he may be liable under the Indian Penal Code," which the Bill proposed to insert.

CLAUSE 61 (OLD 60).—The change made has the effect of removing from Section 53 (2) of the Act the reference to stay of proceedings, and at the same time, while leaving to the Assistant Commissioner the power to

compound offences, requires the leave of the Court to any composition made after an offence has come before the Court.

CLAUSE 62 (OLD 61).—The alterations made in the clause have the effect of converting the three provisos to sub-section (2) of Section 54 of the Act into separate sub-sections, a form which we consider more appropriate in view of their contents. We have also added further matters to the list of those exempted from the ban on disclosure. These matters are contained in the new Clause (d), dealing with suits in Civil Courts, clause (f), dealing with audit officers, clause (k), and clause (l) which makes specific provision allowing the details, necessary for establishing that a person is qualified to be an elector, to be disclosed to a Returning Officer.

CLAUSE 68 (NEW CLAUSE).—This new clause removes from the Act sub-section (2) of Section 58B which gave power to the Central Government to refuse recognition to or withdraw recognition from a provident fund.

CLAUSE 73 (OLD 71).—The alteration of the clause has the effect, first, of substituting the words "the appropriate relief" in sub-section (2) of Section 60 of the Act, for the expression "such relief as it may think fit" which we consider is unduly wide, and, secondly, of abolishing for the future the power to make any exemptions, reductions or modifications under sub-section (1). It is necessary to keep sub-section (1) so that orders rescinding exemptions now in existence may be made when necessary under the implied power imported into the sub-section by Section 21 of the General Clause Act, 1897. We have received an assurance that it is the intention of Government, in consonance with the general scheme contained in the Bill and simultaneously with its coming into operation, to rescind the exemptions numbered 20, 21, 22 and 23 in the list set forth in paragraph 17 of Part III of the Income-tax Manual.

CLAUSE 74 (OLD 72).—We have substituted a more accurate revised definition of "accountant". We have also recast sub-section (3) of Section 61 of the Act, as amended by the Bill, so as to remove from the Commissioner of Income-tax the power to decide whether a lawyer or an accountant has been guilty of misconduct in connection with income-tax proceedings. We consider that the authorities ordinarily responsible for disciplinary action in the two professions concerned should deal with such matters as with other questions of discipline in those professions.

CLAUSE 76 (OLD 74).—We have somewhat relaxed the stringency of the first proviso which the clause adds to sub-section (3) of Section 64 of the Act, by providing that an assessee shall be debarred from raising the question of the place of assessment only when he has stated his principal place of business in a return made, and by extending the time within which

the question can be raised in other cases to the end of the time allowed for a return after a specific notice under Section 22 (2) or 34.

CLAUSE 78 (NEW).—This clause adds to the Act the Schedule necessary to implement the decision announced in our remarks on clause 10 in connection with Section 10 (7) of the Act.

To the extent to which the changes made by us in Section 16 of the Act by our enlargement of the connotation of the terms "settlement or disposition" and "settlor or disponent", in Section 23A of the Act by our extension of the scope of the section to other companies than those controlled by not more than five persons, in Section 34 of the Act by our extension of the term over which income which the escaped assessment may be pursued in certain cases for eight years, and to the extent to which the new Sections 44E and 44F render liable to tax moneys otherwise not liable, we recognise that the sanction given to the provisions of the Bill may require to be supplemented by the specific sanction for these new provisions. We request that such sanction, if held to be necessary, and the sanction referred to in our remarks on clause 4, may be obtained.

2. The Bill was published in the Gazette of India, dated the 9th April, 1938.

3. We think that the Bill has not been so altered as to require re-publication.

*S. SATYAMURTI.

P. J. GRIGG.

*BHULABHAI J. DESAI.

A. AIKMAN.

ABDUL HAMID.

S. P. CHAMBERS.

J. F. SHEEHY.

*B. B. VARMA.

*MUHAMMAD AHMAD KAZIM.

*K. K. MALAVIYA.

*H. A. S. H. ESSAK.

*MOHD. YAMIN KHAN.

*COWASJI JEHangIR.

NEW DELHI

The 10th November 1938.

* Subject to a minute or minutes of dissent.

MINUTES OF DISSENT.

We generally agree with the provisions of the Bill as it emerges from the Select Committee, except on a few points on which we reserve our right to move amendments. Waqf-alal-Aulad stands on the same footing as other waqfs under the Mohammadan Law and should have been exempted.

We regret to say that we could not persuade other members of the Committee to agree to our suggestion.

MOHD. YAMIN KHAN.
H. A. S. H. ESSAK.

We have not been able to agree with the conclusions reached by the Select Committee on the following clauses:—

- CLAUSE 4 (Section 4).
- CLAUSE 5 (New Sections 4A and 4B).
- CLAUSE 17 (Old Clause 16—Section 16).
- CLAUSE 24 (Old Clause 23—Section 23).
- CLAUSE 26 (Old Clause 25—Section 24).
- CLAUSE 31 (Old Clause 30—Section 26).
- CLAUSE 34 (Section 30).
- CLAUSE 39 (Section 34).
- CLAUSE 42 (Section 38).
- CLAUSE 53 (Section 49).
- CLAUSE 54 (New Clause).

We are further of opinion that there are certain respects in which the Bill is capable of further improvement and simplification.

The first point in this connection is that on a perusal of the Act in the Bill, we find that in some cases the underlying principle of a large number of sections and provisions dispersed in the Act is one and the same, but such principle is nowhere enunciated in its full form in the Act. If we incorporate such principles in specific provisions—in as general a form as is consistent with the other provisions—it would very much simplify and render easily intelligible many of the provisions of the Act. For example, a section recognising the principle “No income of a person shall be liable to be taxed twice in his hand” will be easily understood, will simplify many of the provisions of the Act, and will remove certain doubts arising from the interpretation of some sections of the Act.

The second point that we have to mention is in respect of the adoption of the "slab" system. This change in the system of taxation is one of the fundamental changes contemplated by the Bill, but nowhere it has been directly recognised in the provisions of the Bill. Only the calculations contained in some clause [e.g., sub-clause (4) of Section 15] contain certain words which raise a presumption of the adoption of a system different from the present one. To our mind that is too far-fetched and insufficient, and the new system should be specifically described in the Act.

The last suggestion that we have to make is regarding the method of calculation of income-tax. This is to be found embodied in different sections and clauses of the Bill, dealing with the matter piece-meal, in widely varying language and even so, we are afraid, not covering all these cases dealt with by the Act itself. This is likely to create doubts in the minds of people. We would suggest that the system of calculation should be given at one place with the necessary details. This would very much simplify the provisions dealing with calculation of income-tax, if not render them wholly unnecessary.

We shall move suitable amendments in accordance with our views when the Bill is before the House for consideration of the clauses.

BHULABHAI J. DESAI.

S. SATYAMURTI.

MUHAMMAD AHMAD KAZMI.

B. B. VARMA.

K. K. MALAVIYA.

I am against the following clauses of the Bill namely:—

- (1) The principle underlying clauses 4 and 5 of the Bill, which amend Section 4 of the Act.
- (2) Clause 17 (a) and (b) of the Bill which amends Section 16 of the Act.
- (3) Clause 21 of the Bill which amends Section 20A of the Act.
- (4) Clause 31 of the Bill which amends Section 26 of the Act.
- (5) Clause 32 of the Bill which amends Section 28 of the Act.
- (6) Clause 39 of the Bill which amends Section 34 of the Act.
- (7) Clause 42 of the Bill which amends Section 38 of the Act.

I would like to draw the attention to the fact that provisions relating to Provident Fund should be extended to Super Annuation Fund as well.

Although, unfortunately, this matter was not actually discussed in the Select Committee, it was considered by members of the Select Committee. I will therefore move or support amendments in the House to give effect to the above Provisions.

I also reserve to myself the right to move or support all amendments to the Bill which are in agreement with my views.

COWASJI JEHangIR.

In addition to what has been said in the Joint Minute of Dissent signed by me I want to make the following observations:—

I do not agree to the conclusions arrived at in the Select Committee particularly in respect of the following clauses for reasons indicated hereunder, and I reserve to myself and to my party the right to move suitable amendments in the open House:—

CLAUSE 4 (Section 4).

CLAUSE 5 (New Section 4A and 4B).

CLAUSE 23 (Section 23).

CLAUSE 42 (Section 38).

CLAUSE 50 (Section 46).

CLAUSE 53 (Section 49).

CLAUSE 71 [Section 60 (1)].

One and one idea alone, from the beginning to the end, persists in the Bill. The desire of the Honourable Finance Member to collect as much revenue as possible and to make it impossible for any Indian, whosoever he may be, to escape the rigours of the Income-tax Law, is writ large in every word and line of the Bill. Extreme cases of tax-dodging have been imagined and sections to prevent these have been drawn up. Draconian laws have been proposed and wide powers have been given to the executive for the sake of a few tax-dodgers without any idea of the Sections being fair or equitable. Provisions have even been introduced which have no analogy in the law or the practice of the United Kingdom, and really good provisions of the English Law have been ignored.

Any income-tax law, according to my way of thinking, must see that the assessee retains sufficient money for the needs of the wife, children and dependants. English law grants personal allowances which are deducted before the income becomes taxable. One-fifth of the income not exceeding £300 is not taxable. Over and above this, there are the married man's allowance of £180, single person's allowance of £100, each child's allowance

of £60 and in addition to these, there is the deduction in respect of dependent relatives. These personal allowances mitigate the incidence of taxation in United Kingdom drive out the poverty from the doors, help in raising the standard of living and provide better maintenance and education for the children, but no such provisions exist in the proposed Income-tax Laws which are meant for a country where poverty is grinding, where a single wage earner has to support a large family and a large number of dependants and where it is impossible for a middle class man to give better education to his three or four children.

I maintain that personal allowances, on even a minor scale, should be the law of the land. One-fifth of the total income from all sources of the assessee from business, profession, vocation and salaries etc., but not exceeding Rs. 1,800 should not be taxable. An allowance for the maintenance of each child to the tune of at least say Rs. 120 per annum should be provided for, and some allowance should also be granted for the maintenance of the wife and the dependants. Unless some such law is passed, the wolf of hunger, poverty, malnutrition, the low standard of living and the one thousand and one fatal diseases will be always knocking at our doors. The Bill, as it is drawn up, takes no account of the needs of the tax-payer or of the question whether any initiative will be left for assesseees to show enterprise in business. 'Realize income-tax,' 'realize more income-tax,' 'realize most' seems to be the motto of the amending Bill.

A fundamental change has been introduced in regard to the taxation of foreign income. This change from the remittance to accrual basis has been universally condemned, but the Government is adamant. Out poineer traders, who are trading in foreign countries, did not get any encouragement from the Government of India; they do not get any protection even from the Government; the Indian nationals have pushed their way through in face of tremendous odds and are maintaining their own. I am told they are even ousting Japanese trade and are introducing Indian mill cloth shirtings, lungis, sarees and one thousand and one other fabrics and are even underselling Japanese cheap fabrics; but the Government, which never gave any encouragement or protection to our nationals in their trading enterprises, is now anxious to tax their income on accrual basis in India. In the English Law, income from foreign possessions (excluding stocks, shares and rents) is taxed on remittance basis and business if not centrally controlled from United Kingdom and exclusively carried on outside United Kingdom is also treated as foreign possession (*vide Colquhown vs. Brooks*), whereas income from stock, shares and rents is only taxed on accrual basis. The Government even ignores the fact that no relief from double taxation is possible in regard to some of the countries where our nationals are trading. No provisos and exceptions have been provided which would mitigate the rigours of the proposed change. I, therefore, stand for the

deletion of Clause 4 altogether; failing this, I would add to the proposed sub-section (1) (b) (ii) after the words "such year" the words "from whatever source except business, profession or vocation."

I am for taxing the foreign income from business, profession and vocation on remittance basis only. It is wrong to assume that the Indian capital will be driven out of the country if foreign income is not taxed. Our objective should be to provide incentive to our nationals who are trading abroad. United Kingdom, United States of America, and every country in the world does its best to encourage trade; nationals are encouraged to earn as much profits as they can and bring that into the country and add to the national wealth, but in our unfortunate country, the Government, it seems, is anxious to put the foreign trade at a discount and handicap its development.

CLAUSE 4, SECTION 4.—With regard to the basis of assessment introduced by the amending Bill under Clause 4, I am opposed to the proposed accrual basis, particularly in respect of income arising abroad as a result of Indian enterprise pioneered by our own nationals in foreign countries. I do not see any justification for the Government of India to seek to assess this income when they have not, been affording any encouragement to our nationals in their trading enterprise, and when they have not been offering any protection to them in times of necessity. The Government of the United Kingdom may be justified in assessing the income arising abroad from business because they are able to afford adequate protection to their nationals in foreign countries, but the Government of India certainly have no justification to adopt similar measures when they are helpless either to protect or encourage such enterprise abroad. The Government of India have neither the diplomatic nor consular representatives in foreign countries and the protection which they profess to offer through British diplomatic or consular services is practically next to nothing in case of necessity. The plea put forward by the Finance Member that the clause aims at restricting the flight of Indian capital from this country can be met if we try to tax the income arising abroad out of investments in foreign countries. The Select Committee was not supplied with any figures as to the extent of Indian capital invested in foreign countries. I am, as I have stated above, therefore, entirely opposed to tax the income from trading activities of our own people who have gone out of this country in a spirit of adventure in the past and who are trying to develop India's trade with foreign countries by creating direct connections through Indian agencies. The Indian capital invested even at the beginning in such trading concerns is comparatively small as a number of such concerns, instead of depending upon the supply of capital from India, utilize their profits earned locally to develop their own trade abroad. We do therefore, stand to lose very little if the case of income from business outside British India is treated differently from that of investments abroad.

The profits arising out of such operations should be assessed on remittance basis, as whatever surplus profits they remit to this country should be taxed after meeting their local trade requirements. It should be noted that the Finance Act of the United Kingdom, prior to the Great War, in 1914, was based on this principle of remittance in respect of their income arising out of their trading activities in foreign countries. Even under the present Finance Act, foreign income of British companies, firms or individuals, which are not controlled at Home is not taxed on accrual basis but is only taxed when remitted to the United Kingdom. I am, therefore, opposed to clause 4 as decided upon by the Select Committee.

The wording of the old Indian Income-tax Law warranted the taxing of all incomes accruing in India; but the Government of India, by their subtle interpretation of the law, changed the law completely and the result was that all incomes accruing in India but sent abroad were exempted from the Indian income-tax. This was done in the interests of the foreigners, resident, non-resident, domiciled or non-domiciled in India, and in the interest of foreign companies trading in India. Under the operation of this interpretation, all incomes from sterling securities of the Government of India and from sterling debentures of companies trading in India became exempt from the operation of our Income-tax Law.

The Government now, in order to provide more strings to their purse, are anxious to tax the income of our Indian traders abroad whether received or not received in this country. This, I declare, will cripple our foreign trade and leave no incentive to our pioneer traders to go out and earn income abroad.

We have also made no differentiation between an earned and an unearned income. Almost all, if not all, the countries where Income-tax Law prevails, recognise some such differentiation. Most of the countries, even in the British Commonwealth of Nations, pay homage to this principle of differentiation but in our amending Bill, no such differentiation has been made. The Government has not also taken into account the economic depression and the changing moods of the foreign people. Abyssinia and Burma are striking instances. The lot of Indians trading in Burma to-day, especially those who have been saddled with unwanted large areas of agricultural land, is not enviable.

In view of abnormal conditions prevailing in Burma, and the fact that Burma has been suddenly bodily separated from India perforce, only a year ago, I would urge that some provision should be made for not taxing agricultural incomes of Indian traders in Burma on accrual basis, when it has already paid a tax there and allow Indian traders a period of 15 years to adjust their investments. The price of agricultural land has already gone down and the knowledge that the Indian traders have to get rid of

agricultural lands in Burma at any cost, will not help our nationals in realising even 50 per cent. of their investments.

CLAUSE 5: New Sections 4A and 4B. I am not satisfied with the decision of the Select Committee to delete the word "Central" from the definition of the residence of a firm or a company, and I would very much prefer to have the definition suggested by the Codification Committee to be incorporated into our Act to define the residence of a company, firm or other association of persons. I am not sure whether sterling companies incorporated in the United Kingdom and having substantial portion of their operations and management carried on in India would be treated as resident companies for purposes of this Act. My whole concern in suggesting that the Codification Committee's draft clause should be accepted is that companies incorporated outside British India but earning their profits out of their operations which are substantially carried on in British India should be treated as resident companies for all purposes of the Act, and I do not see what objection the Government should have to the acceptance of the Codification Committee's draft clause in preference to the deletion of the word "Central" from the proposed clause in the Bill.

CLAUSE 23: Section 23. I am opposed to the new proposed sub-section (4) of Section 23 whereby the Income-tax Officer may, either refuse to register a firm or may cancel its registration, if it is already registered under certain circumstances.

CLAUSE 42: Section 38. The suggestion which the Select Committee made in respect of Clause 42 does not improve the clause materially, and I am opposed to the insertion of new sub-section (2) to Section 38. Such power of entering the premises, calling for and inspecting and stamping accounts of a person does not exist in the U. K. law, and I do not see any justification for the Government to resort to the inclusion of such a harassing section in the Act.

CLAUSE 50: Section 46. I am opposed to the use of imprisonment in the process of realising arrears of Income-tax and though the Government Member assured me that only a very few persons have been arrested during all these years for default in payment of Income-tax, I am strongly opposed to the provision mentioned in the proviso to sub-section (2) of Section 46 on principle. Property might be attached, put to auction, but the man should never be arrested and put in jail.

CLAUSE 53: Section 49. I am of opinion that the Governor-General should be approached to give permission to move an amendment in the open House for the deletion of Section 49 of the Act which has been working to the prejudice of the Indian treasury and which is responsible for the loss of more than a crore of rupees to the country. I am strongly opposed to the retention of this Section on the statute book.

CLAUSE 71: Section 60 (1). I accept the agreement reached in the Select Committee on this Section provided the Finance Member agrees to redeem his assurances and promise of withdrawing the notifications in respect of items 20, 21, 22 and 23, which relate to allowances or salaries paid either into the United Kingdom or Colonies to Government Officers on leave or on duty, leave salaries or allowances paid into the United Kingdom or Colonies to officers of local authorities or to the employees of companies or of private employers on leave and vacation salaries paid into the United Kingdom or Colonies to Judges of High Courts or Chief Courts, etc., when on vacation.

K. K. MALAVIYA.

**THE
INDIAN INCOME-TAX (AMENDMENT) ACT, 1939.**

ACT No. VII OF 1939.

An Act further to amend the Indian Income-tax Act, 1922.

Received the assent of the Governor-General on the 17th February, 1939.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement. **1.** (1) This Act may be called the Indian Income-tax (Amendment) Act, 1939

(2) This section and Part I shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint, and Part II¹ shall come into force on such subsequent date, not later than two years from the date appointed for the coming into force of Part I, as the Central Government may, in like manner, appoint:

Provided that sub-clauses (iii) and (iv) of clause (b) of Section 11² shall not take effect earlier than the 1st day of April, 1940.

PART I.

Amendment of Section 2, Act XI of 1922. **2.** In Section 2 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act),—

(a) in clause (3), before the word "Assistant," in both places where it occurs, the word "Appellate" shall be inserted;

(b) after clause (6) the following clause shall be inserted, namely:—
"(6A) 'dividend' includes—

(a) any distribution by a company of accumulated profits, whether capitalised or not, if such distribution entails the release by the company to its share-holders of all or any part of the assets of the company;

1. Part II consisting of Sections 85 to 92 of the Amendment Act relates to the appointment of the Appellate Tribunal.

2. Sub-clauses (iii) and (iv) of Section 11 (b) relate to the allowances for depreciation and obsolescence.

- (b) any distribution by a company of debentures or debenture-stock, to the extent to which the company possesses accumulated profits, whether capitalised or not;
- (c) any distribution made to the share-holders of a company out of accumulated profits of the company on the liquidation of the company:

Provided that only the accumulated profits so distributed which arose during the six previous years of the company preceding the date of liquidation shall be so included; and

- (d) any distribution by a company on the reduction of its capital to the extent to which the company possesses accumulated profits which arose after the end of the previous year ending next before the 1st day of April, 1933, whether such accumulated profits have been capitalised or not:

Provided that 'dividend' does not include a distribution in respect of any share issued for full cash consideration which is not entitled in the event of liquidation to participate in the surplus assets, when such distribution is made in accordance with sub-clause (c) or (d).

Explanation.—The words 'accumulated profits,' wherever they occur in this clause, shall not include 'capital profit.';

- (c) existing clause (6-A) shall be re-numbered as clause (6-B) and, in that clause, as so re-numbered, for the words and figures "the Indian Contract Act, 1872;" the words and figures "the Indian Partnership Act, 1932:" shall be substituted, and the following words shall be added, namely:—

"provided that the expression 'partner' includes any person who being a minor has been admitted to the benefits of partnership;"

- (d) after clause (6-B), as so re-numbered, the following clauses shall be inserted, namely:—

"(6C) 'income' includes anything included in 'dividend' as defined in clause (6A) and anything which under *Explanation* 2 to sub-section (1) of Section 7 is a profit received in lieu of salary for the purposes of that sub-section and any sum deemed to be profits under the second proviso to clause (vii) of sub-section (2) of section 10 and the profits of any business of insurance carried on by a mutual insurance company computed in accordance with Rule 9 in the Schedule;

(6D) 'Inspecting Assistant Commissioner' means a person appointed to be an Inspecting Assistant Commissioner of Income-tax under Section 5;"

(e) in clause (9), after the word 'family,' the words "and a local authority" shall be inserted;

(f) in clause (11),—

(i) after the word "means" the following words shall be inserted, namely:—

"in respect of any separate source of income, profits and gains";

(ii) for the proviso to sub-clause (a) the following proviso shall be substituted, namely:—

"Provided that where an assessee has once been assessed in respect of a particular source of income, profits and gains, he shall not in respect of that source exercise this option so as to vary the meaning of the expression 'previous year' as then applicable to him except with the consent of the Income-tax Officer and upon such conditions as the Income-tax Officer may think fit; or";

(iii) after sub-clause (b) the following shall be added, namely:—

"or

(c) where a business, profession or vocation has been newly set up in the financial year preceding the year for which the assessment is to be made, the period from the date of the setting up of the business, profession or vocation to the 31st day of March next following or to the last day of the period determined under sub-clause (b), or, if the accounts of the assessee are made up to some other date than the 31st day of March and the case is not one for which a period has been determined by the Central Board of Revenue under sub-clause (b), then, at the option of the assessee, the period from the date of the setting up of the business, profession or vocation to such other date:

Provided that when such other date does not fall between the setting up of the business, profession or vocation and the next following 31st day of March, it shall be deemed that there is no previous year; and

when the assessee is a partner in a firm, 'previous year' in respect of his share of the income, profits and gains of the firm means the previous year as determined for the assessment of the income, profits and gains of the firm;"; and

(g) in clause (15), for the words "from all sources to which this Act applies" the words, brackets and figures "referred to in sub-section (1) of section 4" shall be substituted, for the word and figures "section 16" the

words "this Act" shall be substituted, and the following words shall be added, namely :—

" 'total world income' includes all income, profits and gains wherever accruing or arising except income to which, under the provisions of sub-section (3) of section 4, this Act does not apply; and."

3. In Section 3 of the said Act, the words "applicable to the total income of an assessee" shall be omitted; for the words "all income, profits and gains" the words "the total income" shall be substituted, and for the words "company, firm and other association of individuals" the words "company and local authority, and of every firm and other association of persons or the partners of the firm or members of the association individually" shall be substituted.

Amendment of Section
3, Act XI of 1922.

4. In Section 4 of the said Act,—

(a) for sub-sections (1) and (2) the following sub-sections shall be substituted, namely :—

"(1) Subject to the provisions of this Act, the total income of any previous year of any person includes all income, profits and gains from whatever source derived which—

(a) are received or are deemed to be received in British India in such year by or on behalf of such person, or

(b) If such person is resident in British India during such year,—

(i) accrue or arise or are deemed to accrue or arise to him in British India during such year, or

(ii) accrue or arise to him without British India during such year, or

(iii) having accrued or arisen to him without British India before the beginning of such year and after the 1st day of April, 1933, are brought into or received in British India by him during such year; or

(c) if such person is not resident in British India during such year, accrue or arise or are deemed to accrue or arise to him in British India during such year:

Provided that there shall not be included in any assessment for the year ending on the 31st day of March, 1940, both the amount of the income, profits and gains referred to in sub-clause (ii) of clause (b) and the amount of the income, profits and gains referred to in sub-clause (iii) of clause (b) but only the greater of these two amounts:

Provided further that, in the case of a person not ordinarily resident in British India, income, profits and gains which accrue or arise to him without British India shall not be so included unless they are derived from a business controlled in or a profession or vocation set up in India or unless they are brought into or received in British India by him during such year:

Provided further that if in any year the amount of income accruing or arising without British India exceeds the amount brought into British India in that year, there shall not be included in the assessment of the income of that year so much of such excess as does not exceed four thousand five hundred rupees.

Explanation 1.—Income, profits and gains accruing or arising without British India shall not be deemed to be received in or brought into British India within the meaning of this sub-section by reason only of the fact that they are taken into account in a balance-sheet prepared in British India.

Explanation 2.—Income which would be chargeable under the head 'Salaries' if payable in British India and not being pension payable without India shall be deemed to accrue or arise in British India wherever paid if it is earned in British India.

Explanation 3.—A dividend paid without British India shall be deemed to be income accruing and arising in British India to the extent to which it has been paid out of profits subjected to income-tax in British India.

(2) For the purposes of sub-section (1), where a husband is not resident in British India, remittances received by his wife resident in British India out of any part of his income which is not included in his total income shall be deemed to be income accruing in British India to the wife.”;

(b) in sub-section (3),—

(i) for the words “This Act shall not apply to the following classes of income” the words “Any income, profits or gains falling within the following classes shall not be included in the total income of the person receiving them” shall be substituted;

(ii) after clause (i) the following clause shall be inserted, namely:—

“(ia) Any income derived from business carried on on behalf of a religious or charitable institution when the income is applied solely to the purposes of the institution and—

(a) the business is carried on in the course of the carrying out of a primary purpose of the institution, or

(b) the work in connection with the business is mainly carried on by beneficiaries of the institution.”;

(iii) to clause (iii) the following words shall be added, namely:—

“except income from a trade or business carried on by the authority so far as that income is not income arising from the supply of a commodity or service within its own jurisdictional area”;

(iv) in clause (iv), for the figures “1897” the figures “1925” shall be substituted;

(v) clause (v) shall be omitted;

(vi) to the last paragraph the following words shall be added, namely:—

“but nothing contained in clause (i), clause (ia) or clause (ii) shall operate to exempt from the provisions of this Act that part of the income of a private religious trust which does not enure for the benefit of the public.”

Insertion of new sections 4A and 4B in Act XI of 1922.

5. After Section 4 of the said Act and in Chapter I the following sections shall be inserted, namely:—

Residence in British India.

“4A. For the purposes of this Act—

(a) any individual is resident in British India in any year if he—

(i) is in British India in that year for a period amounting in all to one hundred and eighty-two days or more; or

(ii) maintains or has maintained for him a dwelling place in British India for a period or periods amounting in all to one hundred and eighty-two days or more in that year, and is in British India for any time in that year; or

(iii) having within the four years preceding that year been in British India for a period of or for periods amounting in all to three hundred and sixty-five days or more, is in British India for any time in that year otherwise than on an occasional or casual visit:

(b) a Hindu undivided family, firm or other association of persons is resident in British India unless the control and management of its affairs is situated wholly without British India; and

(c) a company is resident in British India in any year (a) if the control and management of its affairs is situated wholly in British India in that year, or (b) if its income arising in British India in that year exceeds its income arising without British India in that year.

Ordinary residence.

4B. For the purposes of this Act—

- (a) an individual is 'not ordinarily resident' in British India in any year if he has not been resident in British India in nine out of the ten years preceding that year or if he has not during the seven years preceding that year been in British India for a period of, or for periods amounting in all to, more than two years;
- (b) a Hindu undivided family is deemed to be ordinarily resident in British India if its manager is ordinarily resident in British India;
- (c) a company, firm or other association of persons is ordinarily resident in British India if it is resident in British India."

Substitution of new section for section 5, Act XI of 1922.

6. For section 5 of the said Act the following section shall be substituted, namely:—

Income-tax authorities. "5. (1) There shall be the following classes of Income-tax authorities for the purposes of this Act namely:—

- (a) the Central Board of Revenue,
- (b) Commissioners of Income-tax,
- (c) Assistant Commissioners of Income-tax who may be either Appellate Assistant Commissioners of Income-tax or Inspecting Assistant Commissioners of Income-tax,
- (d) Income-tax Officers.

(2) The Central Government may appoint a Commissioner of Income-tax for any area specified in the order of appointment, and may appoint Commissioners of Income-tax, not more than three in all, each to discharge, without reference to area, and to the exclusion of any Commissioner appointed for any area, the functions of a Commissioner in respect of any cases or classes of cases assigned to him by the Central Board of Revenue.

(3) The Central Government may appoint for any area as many Appellate or Inspecting Assistant Commissioners of Income-tax and Income-tax Officers as it thinks fit.

(4) Appellate Assistant Commissioners of Income-tax shall be under the direct control of the Central Board of Revenue and shall perform their functions in respect of such persons or classes of persons and of such incomes or classes of income and in respect of such areas as the Central Board of Revenue may direct, and, where two or more Appellate Assistant

Commissioners have been appointed for the same area, in accordance with any orders which the Central Board of Revenue may make for the distribution and allocation of the work to be performed.

(5) Inspecting Assistant Commissioners of Income-tax and Income-tax Officers shall perform their functions in respect of such persons or classes of persons and such incomes or classes of income and in respect of such areas as the Commissioner of Income-tax may direct, and, where two or more Inspecting Assistant Commissioners of Income-tax or Income-tax Officers have been appointed for the same area, in accordance with any orders which the Commissioner of Income-tax may make for the distribution and allocation of the work to be performed. The Commissioner may, with the previous approval of the Central Board of Revenue, by general or special order in writing, direct that the powers conferred on the Income-tax Officer and the Appellate Assistant Commissioner by or under this Act shall, in respect of any specified case or class of cases, be exercised by the Inspecting Assistant Commissioner and the Commissioner, respectively, and, for the purposes of any case in respect of which such order applies, references in this Act or in any rules made hereunder to the Income-tax Officer and the Appellate Assistant Commissioner shall be deemed to be references to the Inspecting Assistant Commissioner and the Commissioner, respectively.

(6) The Central Board of Revenue may, by notification in the official Gazette, empower Commissioners of Income-tax, Appellate or Inspecting Assistant Commissioners of Income-tax and Income-tax Officers to perform such functions in respect of such classes of persons or such classes of income and for such area as may be specified in the notification, and thereupon the functions so specified shall cease within the specified area to be performed in respect of the specified classes of persons or classes of income by the other authorities appointed under sub-sections (2) and (3).

(7) Assistant Commissioners of Income-tax and Income-tax Officers shall, for the purposes of this Act, be subordinate to the Commissioner of income-tax for the area in which they perform their functions, or where they perform functions assigned to them by a Commissioner of Income-tax appointed without reference to area, to that Commissioner.

(8) All officers and persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Central Board of Revenue:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of the Appellate Assistant Commissioner in the exercise of his appellate functions."

Amendment of Section
6, Act X of 1922.

7. In Section 6 of the said Act, for clauses (iii), (iv), (v) and (vi) the following clauses shall be substituted, namely:—

- “(iii) Income from property.
- (iv) Profits and gains of business, profession or vocation.
- (v) Income from other sources.”

Amendment of Section
7, Act XI of 1922.

8. In sub-section (1) of Section 7 of the said Act,—

- (a) the words “received by him” shall be omitted;
- (b) for the words “which are paid by or on behalf of the Crown” the words “which are due to him from, whether paid or not, or are paid by or on behalf of, the Crown” shall be substituted;
- (c) for the words “by or on behalf of any private employer” the following words shall be substituted, namely:—

“any private employer; and for the purposes of this sub-section advances by way of loan or otherwise of income chargeable under this head shall be deemed to be salary due on the date when the advance is received:

Provided that the tax shall not be payable in respect of any sum which the assessee by the conditions of his employment is required to spend out of his remuneration wholly, necessarily and exclusively in the performance of his duties:”;

- (d) in the existing proviso after the word “Provided” the word “further” shall be inserted;
- (e) after the proviso the following further proviso shall be inserted, namely:—

“Provided further that where tax is deductible at the source under Section 18, the assessee shall not be called upon to pay the tax himself unless he has received the salary without such deduction.”; and

- (f) the existing *Explanation* shall be numbered *Explanation (1)*, and after that *Explanation*, the following *Explanation* shall be added, namely:—

“*Explanation 2*.—A payment due to or received by an assessee from an employer or former employer or from a provident or other fund at or in connection with the termination of his employment, whether or not the employment is then terminated or to be terminated, is to the extent to which

it does not consist of contributions by the assessee or interest on such contributions a profit received in lieu of salary for the purposes of this sub-section, unless the payment is made solely as compensation for loss of employment and not by way of remuneration for past services:

Provided that nothing herein contained shall render liable to income-tax any payment from a provident fund to which the Provident Funds Act, 1925, applies, or any payment from a recognised provident fund within the meaning of Chapter IX-A if such payment is exempted from payment of income-tax under the provisions of Chapter IX-A, or any payment from an approved superannuation fund within the meaning of Chapter IX-B made on the death of a beneficiary or in lieu of or in commutation of an annuity, or by way of refund of contributions on the death of a beneficiary or on his leaving the employment in connection with which the fund is established."

Amendment of Section
8, Act XI of 1922.

9. In Section 8 of the said Act, to the first proviso the following shall be added, namely:—

"or in respect of any interest payable on money borrowed for the purpose of investment in the securities by the assessee except interest chargeable under this Act which is payable without British India, not being interest on a loan issued for public subscription before the 1st day of April, 1938, unless in respect of interest which is so chargeable tax has been paid or deducted under Section 18, or unless there is a person in British India who may be appointed an agent under Section 43 in respect of such interest."

Amendment of Section
9, Act XI of 1922.

10. In Section 9 of the said Act,—

(a) in sub-section (1),—

(i) for the words "under the head 'Property'" the words "under the head 'Income from property'" shall be substituted, and for the words "his business" the words "any business, profession or vocation carried on by him the profits of which are assessable to tax" shall be substituted;

(ii) for clause (iv) the following clause shall be substituted, namely:—

"(iv) where the property is subject to a mortgage or other capital charge, the amount of any interest on such mortgage or charge; where the property is subject to an annual charge not being a capital charge, the amount of such charge; where the property is subject to a ground rent, the amount of such ground rent; and where the property has been acquired, cons-

tructed, repaired, renewed or reconstructed with borrowed capital, the amount of any interest payable on such capital:

Provided that no allowance shall be made in respect of any interest or annual charge payable without British India and chargeable under this Act, not being interest on a loan issued for public subscription before the 1st day of April, 1938, except interest or a charge on which tax has been paid or from which tax has been deducted under Section 18 or in respect of which there is an agent for the payee in British India who may be assessed under Section 48;”;

- (iii) for clause (vii) the following clause shall be substituted, namely:—

“(vii) in respect of vacancies, that part of the net annual value, after deducting the foregoing allowances, which is proportional to the period during which the property is wholly unoccupied, or, where the property is let out in parts, that portion of the net annual value, after deducting the foregoing allowances appropriate to any vacant part, which is proportional to the period during which such part is wholly unoccupied;”;

- (iv) the proviso shall be omitted;

(b) after sub-section (2) the following sub-section shall be added, namely:—

“(3) Where property is owned by two or more persons and their respective shares are definite and ascertainable, such persons shall not in respect of such property be assessed as an association of persons, but the share of each such person in the income from the property as computed in accordance with this section shall be included in his total income.”

Amendment of Section
10, Act XI of 1922.

11. In Section 10 of the said Act,—

- (a) in sub-section (1), for the word “Business,” where it first occurs, the words “Profits and gains of business, profession or vocation” shall be substituted, and for the word “business,” in all other places where it occurs throughout the section, the words “business, profession or vocation” shall be substituted;

- (b) in sub-section (2),—

- (i) in clause (i), for the words “proportional part” the words “proportional annual value of the part” shall be substituted;

- (ii) in clause (iii), the words "where the payment of interest thereon is not in any way dependent on the earning of profits" shall be omitted; and to the clause the following proviso shall be added, namely:—

"Provided that no allowance shall be made under this clause in any case for any interest chargeable under this Act which is payable without British India, not being interest on a loan issued for public subscription before the 1st day of April, 1938, except interest on which tax has been paid or from which tax has been deducted under section 18 or in respect of which there is an agent in British India who may be assessed under section 43 or, in the case of a firm, for any interest paid to a partner of the firm;"

- (iii) in clause (vi),—

(a) for the words "original cost thereof to the assessee" the words "written down value thereof" shall be substituted;

(b) in clause (b) of the proviso, after the words "in any year" the words and figures "not being a year which ended prior to the 1st day of April, 1939," shall be inserted;

- (iv) for clause (vii) the following clause shall be substituted namely:—

"(vii) in respect of any machinery or plant which has been sold or discarded, the amount by which the written down value of the machinery or plant exceeds the amount for which the machinery or plant is actually sold or its scrap value:

Provided that such amount is actually written off in the books of the assessee:

Provided further that where the amount for which any such machinery or plant is sold exceeds the written down value, the excess shall be deemed to be profits of the previous year in which the sale took place;"

- (v) clauses (viiia), (viii) and (viiiia) shall be re-numbered, respectively, clauses (viii), clause (ix) and clause (x), and in clause (c) of the proviso to the clause re-numbered clause (x), for the word "business" the words "businesses, professions or vocations" shall be substituted;

- (vi) after clause (x), as re-numbered by this Act, the following clause shall be inserted, namely:—

"(xi) when the assessee's accounts in respect of any part of his business, profession or vocation are not kept on the

cash basis, such sum, in respect of bad and doubtful debts, due to the assessee in respect of that part of his business, profession or vocation, and in the case of an assessee carrying on a banking or money-lending business, such sum in respect of loans made in the ordinary course of such business as the Income-tax Officer may estimate to be irrecoverable but not exceeding the amount actually written off as irrecoverable in the books of the assessee:

Provided that if the amount ultimately recovered on any such debt or loan is greater than the difference between the whole debt or loan and the amount so allowed, the excess shall be deemed to be a profit of the year in which it is recovered, and if less, the deficiency shall be deemed to be a business expense of that year;"

- (vii) existing clause (ix) shall be re-numbered (xii), and in that clause, for the brackets and words "(not being in the nature of capital expenditure) incurred solely for the purpose of earning such profits or gains" the brackets and words "(not being in the nature of capital expenditure or personal expenses of the assessee) laid out or expended wholly and exclusively for the purpose of such business, profession or vocation" shall be substituted and the proviso at the end of that clause shall be omitted;

(c) for sub-section (3) the following sub-sections shall be substituted, namely:—

"(3) where any building, machinery, plant or furniture in respect of which any allowance is due under clause (iv), clause (v), clause (vi) or clause (vii) of sub-section (2) is not wholly used for the purposes of the business, profession or vocation, the allowance shall be restricted to the fair proportional part of the amount which would be allowable if such building, machinery, plant or furniture was wholly so used.

(4) Nothing in clause (ix) or clause (xii) of sub-section (2) shall be deemed to authorise the allowance of any sum paid on account of any cess, rate or tax levied on the profits or gains of any business, profession or vocation or assessed at a proportion of or otherwise on the basis of any such profits or gains; and nothing in clause (xii) of sub-section (2) shall be deemed to authorise—

- (a) any allowance in respect of a payment which is chargeable under the head 'Salaries' if it is payable without British India and tax has not been paid thereon nor deducted therefrom under Section 18; or

- (b) any allowance in respect of any payment by way of interest, salary, commission or remuneration made by a firm to any partner of the firm; or
- (c) any allowance in respect of a payment to a provident or other fund established for the benefit of employees unless the employer has made effective arrangements to secure that tax shall be deducted at source from any payments made from the fund which are taxable under the head 'Salaries.'

(5) In sub-section (2), 'paid' means actually paid or incurred according to the method of accounting upon the basis of which the profits or gains are computed under this section; 'plant' includes vehicles, books, scientific apparatus and surgical equipment purchased for the purposes of the business, profession or vocation; and 'written down value' means—

- (a) in the case of assets acquired in the previous year, the actual cost to the assessee;
- (b) in the case of assets acquired before the previous year but after the commencement of the Indian Income-tax (Amendment) Act, 1939, the actual cost to the assessee less all depreciation allowable to him under this section;
- (c) in the case of assets acquired before the commencement of the Indian Income-tax (Amendment) Act, 1939, the actual cost to the assessee less for each financial year since acquisition the amount of depreciation applicable to the assets at the rates in force for each such year since the 1st day of April, 1922, and at the rates in force on the 1st day of April, 1922, for each such year prior to that date:

Provided that where the provisions of the proviso to sub-section (2) of Section 26 are applicable, the actual cost to the assessee referred to in clauses (a), (b) and (c) shall be the actual cost to the person succeeded in the business, profession or vocation:

Provided further that there shall not be so deducted from the actual cost any depreciation allowance or part of any depreciation allowance which was due for a year which ended prior to the 1st day of April, 1939, but to which full effect was not given owing to the absence of profits or gains chargeable for that year, or owing to the profits or gains so chargeable being less than the allowance.

(6) A trade, professional or similar association performing specific services for its members for remuneration definitely related to those services shall be deemed for the purpose of this section to carry on business in

respect of those services, and the profits and gains therefrom shall be liable to tax accordingly.

(7) Notwithstanding anything to the contrary contained in Section 8, 9, 10, 12 or 18, the profits and gains of any business of insurance and the tax payable thereon shall be computed in accordance with the rules contained in the Schedule to this Act."

Omission of section
11, Act XI of 1922.

12. Section 11 of the said Act shall be omitted.

Amendment of Section
12 of Act XI of 1922.

13. In Section 12 of the said Act,—

(a) in sub-section (1), for the words "Other sources" the words "Income from other sources" shall be substituted, and for the words "and from every source to which this Act applies" the words "which may be included in his total income" shall be substituted;

(b) in sub-section (2), for the words "provided that no allowance shall be made on account of any personal expenses of the assessee" the following shall be substituted, namely:—

"provided that no allowance shall be made on account of—

(a) any personal expenses of the assessee, or

(b) any interest chargeable under this Act which is payable without British India, not being interest on a loan issued for public subscription before the 1st day of April, 1938, or not being interest on which tax has been paid or from which tax has been deducted under Section 18, or

(c) any payment which is chargeable under the head 'Salaries,' if it is payable without British India and tax has not been paid thereon nor deducted therefrom under Section 18."

(c) after sub-section (2) the following sub-section shall be added, namely:—

"(3) Where an assessee lets on hire machinery, plant or furniture belonging to him, he shall be entitled to allowances in accordance with the provisions of clauses (iv), (v), (vi) and (vii) of sub-section (2) of Section 10."

Insertion of new Section
12-A in Act XI of
1922.

14. After Section 12 of the said Act the following section shall be inserted, namely:—

"12A. Where a managing agent of a company is liable under an agreement made for adequate consideration to share managing agency commission with a third party or parties the said agent and the said party or parties

Managing Agency
Commission.

shall file a declaration showing the proportion in which such commission is shared between them, and on proof to the satisfaction of the Income-tax Officer of the facts contained in such declaration such agent and each such party shall be chargeable only on the share to which such agent or party is entitled under the agreement."

Amendment of Section
13, Act XI of 1922.

15. In Section 13 of the said Act, the figures "11" shall be omitted.

Amendment of Section
14, Act XI of 1922.

16. For sub-section (2) of section 14 of the said Act the following sub-section shall be substituted, namely:—

"(2) The tax shall not be payable by an assessee—

(a) if a partner of an unregistered firm, in respect of any portion of his share in the profits and gains of the firm computed in the manner laid down in clause (b) of sub-section (1) of Section 16 on which the tax has already been paid by the firm; or

(b) if a member of an association of persons other than a Hindu undivided family, a company or a firm, in respect of any portion of the amount which he is entitled to receive from the association on which the tax has already been paid by the association."

Amendment of Section
15, Act XI of 1922.

17. In Section 15 of the said Act,—

(a) In sub-section (1), for the figures "1897" the figures "1925" shall be substituted, and for the words "by an assessee in respect of any sums paid by him to effect an insurance on his own life or on the life of his wife, or in respect of a contract for a deferred annuity on his own life or on the life of his wife" the words "in respect of any sums paid by an assessee to effect an insurance on the life of the assessee or on the life of a wife or husband of the assessee or in respect of a contract for a deferred annuity on the life of the assessee or on the life of a wife or husband of the assessee" shall be substituted;

(b) in sub-section (3), for the word "proviso" the words "second proviso" shall be substituted, and for the words "one-sixth of the total income of the assessee" the following words shall be substituted, namely:—

"in the case of an individual, one-sixth of the total income of the assessee, or six thousand rupees, whichever is less, and in the case of a Hindu undivided family, one-sixth of the total income of the assessee, or twelve thousand rupees, whichever is less";

Amendment of Section
16, Act XI of 1922.

18. In Section 16 of the said Act,—

(a) for sub-sections (1) and (2) the following sub-sections shall be substituted, namely:—

“(1) In computing the total income of an assessee—

(a) any sums exempted under the second proviso to sub-section (1) of Section 7, the second and third provisos to section 8, sub-section (2) of section 14 and section 15 shall be included;

(b) when the assessee is a partner of a firm, then, whether the firm has made a profit or a loss, his share (whether a net profit or a net loss) shall be taken to be any salary, interest, commission or other remuneration payable to him by the firm in respect of the previous year increased or decreased respectively by his share in the balance of the profit or loss of the firm after the deduction of any interest, salary, commission or other remuneration payable to any partner in respect of the previous year:

Provided that if his share so computed is a loss, such loss may be set off or carried forward and set off in accordance with the provisions of Section 24;

(c) all income arising to any person by virtue of a settlement or disposition whether revocable or not, and whether effected before or after the commencement of the Indian Income-tax (Amendment) Act, 1939, from assets remaining the property of the settlor or disponent shall be deemed to be income of the settlor or disponent, and all income arising to any person by virtue of a revocable transfer of assets shall be deemed to be income of the transferor:

Provided that for the purposes of this clause a settlement, disposition or transfer shall be deemed to be revocable if it contains any provision for the retransfer directly or indirectly of the income or assets to the settlor, disponent or transferor, or in any way gives the settlor, disponent or transferor a right to reassume power directly or indirectly over the income or assets:

Provided further that the expression ‘settlement or disposition’ shall for the purposes of this clause include any disposition, trust, covenant, agreement, or arrangement, and the expression ‘settlor or disponent’ in relation to a settlement or disposition shall include any person by whom the settlement or disposition was made:

Provided further that this clause shall not apply to any income arising to any person by virtue of a settlement or disposition which is not revocable

for a period exceeding six years or during the lifetime of the person and from which income the settlor or disponent derives no direct or indirect benefit but that the settlor shall be liable to be assessed on the said income as and when the power to revoke arises to him.

(2) For the purposes of inclusion in the total income of an assessee any dividend shall be deemed to be income of the previous year in which it is paid, credited or distributed or deemed to have been paid, credited or distributed to him, and shall be increased by the amount of income-tax (but not super-tax) payable thereon calculated at the rate applicable to the total income of a company for the financial year in which the dividend is paid, credited or distributed or deemed to have been paid, credited or distributed:

Provided that when any portion of the profits and gains of the company out of which such dividend has been paid, credited or distributed or deemed to have been paid, credited or distributed was not liable to income-tax in the hands of the company, the income-tax to be added under this section shall be calculated upon only such proportion of the dividend as the amount of the profits and gains of the company liable to income-tax bears to the total profits and gains of the company.”;

(b) in sub-clause (iv) of clause (a) of sub-section (3), after the words “by such individual” the words “otherwise than for adequate consideration” shall be inserted;

(c) in clause (b) of sub-section (3), for the words “association of individuals” the words “person or association of persons” shall be substituted, the words “consisting of such individual and his wife” shall be omitted, for the words “to the association” the words “otherwise than for adequate consideration to the person or association” shall be substituted, and to the clause the words “for the benefit of his wife or a minor child or both” shall be added.

Substitution of new
section for Section 17,
Act XI of 1922.

19. For Section 17 of the said Act the following section shall be substituted, namely:—

“17. (1) Where a person is not resident in British India, and is a British subject as defined in Section 17 of the British Nationality and Status of Aliens Act, 1914, or a subject of a State in India or Burma, the tax, including super-tax, payable by him or on his behalf on his total income shall be an amount bearing to the total amount of the tax including super-tax which would have been payable on his total world income had it been his total income the same proportion as his total income bears to his total world income; and in the case of any

Determination of
tax payable in
certain special
cases.

other non-resident person, the income-tax payable by him or on his behalf on his total income shall be at the maximum rate and the super-tax payable thereon shall be an amount bearing to the total amount of super-tax which would have been payable on his total world income had it been his total income the same proportion as his total income bears to his total world income.

(2) Where there is included in the total income of any assessee any income (including income from a share in an unregistered firm, if assessed as such) exempted from tax by or under the provisions of this Act, the income-tax excluding super-tax payable by the assessee shall be an amount bearing to the total amount of the income-tax excluding super-tax which would have been payable on the total income had no part of it been exempted the same proportion as the unexempted portion of the total income bears to the total income."

Amendment of Section
18, Act XI of 1922.

20. In Section 18 of the said Act,—

(a) in sub-section (2), for the words "but not super-tax" the words "and super-tax" shall be substituted, and for the words "at the rate applicable to the estimated income of the assessee under this head" the words "at a rate representing the average of the rates applicable to the estimated total income of the assessee under this head" shall be substituted;

(b) after sub-section (2A) the following sub-section shall be inserted, namely:—

"(2B) Any person responsible for paying any income chargeable under the head 'Salaries' to a person not resident in British India shall at the time of payment deduct income-tax at the maximum rate and also super-tax at the rate or rates applicable to the estimated income of the assessee under this head.";

(c) in the proviso to sub-section (3), after the words "the total income" the words "or the total world income" shall be inserted and for the words "herein referred to" the words, brackets, figure and letter "referred to in this sub-section or in sub-section (2B), as the case may be," shall be substituted;

(d) after sub-section (3) the following sub-section shall be inserted, namely:—

"(3A) Any person responsible for paying to a person not resident in British India any interest not being 'Interest on Securities', or any other sum chargeable under the provisions of this Act, shall, at the time of payment, unless he

is himself liable to pay income-tax thereon as an agent, deduct income-tax at the maximum rate.”;

(e) existing sub-sections (3A), (3B), (3C) and (3D) shall be re-numbered, respectively, (3B), (3C), (3D) and (3E);

(f) in sub-section (3B), as re-numbered by this Act, for the words “total income,” in both places where they occur, the words “total world income” shall be substituted; after the words “Interest on Securities” the words “or any other sum chargeable under this Act” shall be inserted; for the words “paying such interest” the words “making such payments” shall be substituted; and the words “income-tax and” shall be omitted;

(g) in sub-section (3C), as re-numbered by this Act, after the words “Interest on Securities” the words “or any other sum chargeable under this Act” shall be inserted; for the words “pays to that person in any year an amount of such interest” the words “makes to that person in any year payments” shall be substituted; for the words “paying such interest” the words “making such payments” shall be substituted; for the word, brackets, figure and letter “sub-section (3A)” the word, brackets, figure and letter “sub-section (3B)” shall be substituted; the words “income-tax on the total amount of such interest at the rate appropriate to such total, and” shall be omitted; and for the words “such total” the words “the total amount of such payments” shall be substituted;

(h) in sub-section (3D), as re-numbered by this Act, for the words “total income” the words “total world income” shall be substituted;

(i) in sub-section (3E), as re-numbered by this Act, for the word, brackets, figure and letter “sub-section (3C)” the word, brackets, figure and letter “sub-section (3D)” shall be substituted;

(j) in sub-section (5), after the word “section” the words, brackets and figures “and any sum by which a dividend has been increased under sub-section (2) of section 16” shall be inserted, after the word “security” the words “or of the share-holder” shall be inserted, and in the second proviso to the said sub-section,—

(i) for the words, figures and brackets “sub-section (3) of section 16” the words, letters, figures and brackets “clause (c) of sub-section (1) or sub-section (3) of

Section 16, Section 44D or Section 44E" shall be substituted; and

(ii) for the words "that person" the words "such other person" shall be substituted;

(k) in sub-section (7), for the words "and pay" the words "or after deducting fails to pay" shall be substituted; and for the word "he", where it first occurs, the words, brackets, figures and letters "he, and in the cases specified in sub-sections (3D) and (3E) the company of which he is the principal officer" shall be substituted, and for the word "he", where it occurs for the second time, the words "he or it" shall be substituted;

(l) in sub-section (9), for the words "at the time of payment of interest or dividends" the words "at the time of payment of the sum from which tax has been deducted" shall be substituted, and for the word, brackets, figure and letter "or (3D)" the word, brackets, figures and letters "(3D) or (3E)" shall be substituted.

Substitution of new section for Section 19, Act XI of 1922.

21. For section 19 of the said Act the following section shall be substituted, namely:—

"19. In the case of income in respect of which provision is not made under section 18 for deduction of income-tax at the time of payment, and in any case where income-tax has not been deducted in accordance with the provisions of section 18, income-tax shall be payable by the assessee direct."

Payment in other cases.

Amendment of Section 20A, Act XI of 1922.

22. In Section 20A of the said Act, for the words "one thousand" the words "four hundred" shall be substituted.

Amendment of Section 21, Act XI of 1922.

23. In Section 21 of the said Act,—

- (a) after the words "in the prescribed form" the words "and verified in the prescribed manner" shall be inserted;
- (b) in clause (a), after the word "received" the words "or to whom was due" shall be inserted;
- (c) in clause (b), after the word "received" the words "or so due" shall be inserted, and after the word "paid" the words "or due, as the case may be" shall be added;
- (d) in clause (c), after the word "income-tax" the words "and super-tax" shall be inserted.

THE INDIAN INCOME-TAX ACT

Amendment of Section
24, Act XI of 1922.

24. In Section 22 of the said Act,—

- (a) for sub-section (1) the following sub-section shall be substituted, namely:—

“(1) The Income-tax Officer shall, on or before the 1st day of May in each year, give notice, by publication in the press and by publication in the prescribed manner, requiring every person whose total income during the previous year exceeded the maximum amount which is not chargeable to income-tax to furnish, within such period not being less than sixty days as may be specified in the notice, a return, in the prescribed form and verified in the prescribed manner, setting forth (along with such other particulars as may be required by the notice) his total income and total world income during that year:

Provided that the Income-tax Officer may in his discretion extend the date for the delivery of the return in the case of any person or class of persons.”;

- (b) in sub-section (2), the words “other than company” shall be omitted, and for the word “shall serve” the words “may serve” shall be substituted, and after the words “his total income” the words “and total world income” shall be inserted; and to the said sub-section the following proviso shall be added; namely:—

“Provided that the Income-tax Officer may in his discretion extend the date for the delivery of the return.”;

- (c) in sub-section (3), the words “and any return so made shall be deemed to be a return made in due time under this section” shall be omitted;

- (d) in sub-section (4), the words “on the principal officer of any company or” shall be omitted; and after the words “on any person” the words “who has made a return under sub-section (1) or” shall be inserted; and

after sub-section (4) the following sub-section shall be added, namely:—

“(5) The prescribed form of the returns referred to in sub-sections (1) and (2) shall, in the case of an assessee engaged in any business, profession or vocation, require him to furnish particulars of the location and style of the principal place wherein he carries on the business, profession or voca-

tion and of any branches thereof, the names and addresses of his partners, if any, in such business, profession or vocation and the extent of the share of the assessee and the shares of all such partners in the profits of the business, profession or vocation and any branches thereof."

Amendment of Section
23, Act XI of 1922.

25. In Section 23 of the said Act,—

- (a) in sub-section (1), after the word "satisfied" the words "without requiring the presence of the assessee or the production by him of any evidence" shall be inserted;
- (b) in sub-section (2), for the words and figure "has reason to believe that a return made under Section 22 is incorrect or incomplete, he shall serve on the person who made the return" the words and figure "is not satisfied without requiring the presence of the person who made the return or the production of evidence that a return made under Section 22 is correct and complete, he shall serve on such person" shall be substituted;
- (c) in sub-section (4),—
 - (i) for the words beginning "If the principal officer" and ending "as the case may be" the words, brackets and figures "If any person fails to make the return required by any notice given under sub-section (2) of Section 22 and has not made a return or a revised return under sub-section (3) of the same section" shall be substituted;
 - (ii) after the word "judgment" the words "and determine the sum payable by the assessee on the basis of such assessment" shall be inserted;
 - (iii) for the words "in the case of a registered firm, may cancel its registration" the words "in the case of a firm, may refuse to register it or may cancel its registration if it is already registered" shall be substituted;
- (d) after sub-section (4) the following sub-section shall be added, namely:—

"(5) Notwithstanding anything contained in the foregoing sub-sections, when the assessee is a firm and the total income of the firm has been assessed under sub-section (1), sub-section (3) or sub-section (4), as the case may be,—

 - (a) in the case of a registered firm, the sum payable by the firm itself shall not be determined but the total income of each partner of the firm, including therein his share of its income, profits and gains of the previous year,

shall be assessed and the sum payable by him on the basis of such assessment shall be determined:

Provided that if such share of any partner is a loss it shall be set off against his other income or carried forward and set off in accordance with the provisions of Section 24:

Provided further that when any of such partners, is a person not resident in British India his share of the income, profits and gains of the firm shall be assessed on the firm at the rates which would be applicable if it were assessed on him personally, and the sum so determined as payable shall be paid by the firm; and

- (b) in the case of an unregistered firm, the Income-tax Officer may instead of determining the sum payable by the firm itself proceed in the manner laid down in clause (a) as applicable to a registered firm, if, in his opinion, the aggregate amount of the tax including super-tax, if any, payable by the partners under such procedure would be greater than the aggregate amount which would be payable by the firm and the partners individually if the firm were assessed as an unregistered firm."

Amendment of Section
23A, Act XI of 1922.

26. In Section 23A of the said Act,—

- (a) sub-section (1) shall be omitted;
- (b) sub-section (2) shall be re-numbered sub-section (1), and—
 - (i) for the portion of the said sub-section preceding the proviso the following shall be substituted, namely:—

“(1) Where the Income-tax Officer is satisfied that in
 Power to assess individual members of certain companies. respect of any previous year the profits and gains distributed as dividends by any company up to the end of the sixth month after its accounts for that previous year are laid before the company in general meeting increased by any income-tax payable thereon are less than sixty per cent. of the assessable income of the company of that previous year, he shall, unless he is satisfied that having regard to losses incurred by the company in earlier years or to the smallness of the profit made, the payment of a dividend or a larger dividend than that declared would be unreasonable, make with the previous approval of the Inspecting Assistant Commissioner an order in writing that the undistributed portion of the assessable income of the company of that previous

year as computed for income-tax purposes shall be deemed to have been distributed as dividends amongst the share-holders as at the date of the general meeting aforesaid, and thereupon the proportionate share thereof of each share-holder shall be included in the total income of such share-holder for the purpose of assessing his total income:

Provided that when the reserves representing accumulations of past profits which have not been the subject of an order under this sub-section exceed the paid up capital of the company, together with any loan capital which is the property of the share-holders, or the actual cost of the fixed assets of the company whichever of these is greater, this section shall apply as if instead of the words 'sixty per cent. of the assessable income' the words 'one hundred per cent. of the assessable income' were substituted;

Provided further that no order under this sub-section shall be made where the company has distributed not less than fifty-five per cent of the assessable income of the company, unless the company, on receipt of a notice from the Income-tax Officer that he proposes to make such an order, fails to make within three months of the receipt of such notice a further distribution of its profits and gains so that the total distribution made is not less than sixty per cent. of the assessable income of the company of the previous year concerned:";

(ii) for the proviso the following shall be substituted, namely:—

"Provided further that this sub-section shall not apply to any company in which the public are substantially interested or to a subsidiary company of such a company if the whole of the share capital of such subsidiary company is held by the parent company or by the nominees thereof.";

(iii) in the *Explanation*, the whole of clause (a), the brackets and letter '(b)' and the whole of clauses (c) and (d) shall be omitted;

(c) sub-section (3) shall be renumbered as sub-section (2) and in the sub-section, as so renumbered, before the words "Assistant Commissioner" the word "Inspecting" shall be inserted and the words "firm, association or" shall be omitted;

(d) sub-sections (4) and (5) shall be re-numbered, respectively, sub-sections (3) and (4), and in sub-section (3) as so renumbered,—

(i) paragraph (i) shall be omitted;

(ii) in paragraph (ii), for the word, brackets and figure 'sub-section (2)' the word, brackets and figure 'sub-section (1)' shall be substituted; for the words 'and may be recovered from such member' the words 'if it cannot be recovered from such member' shall be substituted and the words following those words shall be omitted;

(iii) in paragraph (iii), the words "firm or other association" and the words, 'firm or association' shall be omitted;

(c) after sub-section (4), as re-numbered by the foregoing clause, the following sub-section shall be added, namely:—

"(5) When a company is a shareholder deemed under sub-section (1) to have received a dividend, the amount of the dividend thus deemed to have been paid to it shall be deemed to be part of its total income for the purpose also of the application of that sub-section to distributions of profits by that company".

Amendment of Section
24, Act XI of 1922.

27. In Section 24 of the said Act,—

(a) to sub-section (1) the following proviso shall be added, namely:—

"Provided that where the assessee is an unregistered firm which has not been assessed under the provisions of clause (b) of sub-section (5) of Section 23 in the manner applicable to a registered firm, any such loss shall be set off only against the income, profits and gains of the firm and not against the income, profits and gains of any of the partners of the firm; and where the assessee is a registered firm, any loss which cannot be set off against other income, profits and gains of the firm shall be apportioned between the partners of the firm and they alone shall be entitled to have the amount of the loss set off under this section";

(b) for sub-section (2) the following sub-sections shall be substituted, namely:—

"(2) Where any assessee sustains a loss of profits or gains in any year, being a previous year not earlier than the previous year for the assessment for the year ending on the 31st day of March, 1940, under the head 'Profits and gains of business, profession or vocation', and the loss cannot be wholly set off under sub-section (1), the portion not so set off shall be carried forward to the following year and set off against the profits and gains, if any, of the assessee from the same business, profession or vocation for that year; and if it cannot be wholly so set off the amount of loss not so set off shall be carried forward to the following year, and so on; but no loss can be so carried forward for more than six years, and a loss arising in the

previous years for the assessment for the years ending on the 31st day of March, 1940, the 31st day of March, 1941, the 31st day of March, 1942, the 31st day of March, 1943, and the 31st day of March, 1944, respectively, shall be carried forward only for one, two, three, four and five years, respectively:

Provided that nothing herein contained shall entitle any assessee, being a registered firm, to have carried forward and set off any loss which has been apportioned between the partners, under the proviso to sub-section (1), or entitle any assessee, being a partner in an unregistered firm which has not been assessed under the provisions of clause (b) of sub-section (5) of Section 23 in the manner applicable to a registered firm, to have carried forward and set off against his own income any loss sustained by the firm:

Provided further that where an unregistered firm is assessed as a registered firm under clause (b) of sub-section (5) of Section 23, during any year, its losses shall be carried forward and set off under this section as if it were a registered firm:

Provided further that where a change has occurred in the constitution of a firm or where any person carrying on any business, profession or vocation has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in this section shall be deemed to entitle any person other than the person incurring the loss to have it set off against his income, profits or gains.

(3) When, in the course of the assessment of the total income of any assessee, it is established that a loss of profit or gains has taken place which he is entitled to have set off under the provisions of this section, the Income-tax Officer shall notify to the assessee by order in writing the amount of the loss as computed by him for the purposes of this section."

Amendment of Section
24A, Act XI of 1922.

28. In section 24A of the said Act,—

(a) in sub-section (1), for the words beginning "for the period from the expiry of the last previous year" and ending "for the financial year in which such assessment is made" the following words shall be substituted, namely:—

"of the period from the expiry of the last previous year of which the income has been assessed in his hands to the probable date of his departure from British India, or where he has not been previously assessed, on his total income of the period up to the probable date of his departure from British India. The assessment shall be made on the total income of each completed previous year included in such period at the rate at which such income would have been charged

had it been fully assessed, and as respects the period from the expiry of the last of such completed previous years to the probable date of departure the Income-tax Officer shall estimate the total income of such person during such period and assess it at the rate in force for the financial year in which such assessment is made”;

and in the proviso, for the words “or have been assessed at too low a rate” the words “or have been under-assessed, or have been assessed at too low a rate, or have been the subject of excessive relief under this Act but” shall be substituted;

(b) in sub-section (2), for the words “comprised in the period first referred to in” the words “comprised in the relevant period referred to in the first sentence of” shall be substituted.

Amendment of Section 24B, Act XI of 1922.

29. In Section 24B of the said Act,—

(a) for sub-section (2) the following sub-section shall be substituted, namely:—

“(2) Where a person dies before the publication of the notice referred to in sub-section (1) of Section 22 or before he is served with a notice under sub-section (2) of Section 22 or Section 34, as the case may be, his executor, administrator or other legal representative shall, on the serving of the notice under sub-section (2) of Section 22 or under Section 34, as the case may be, comply therewith, and the Income-tax Officer may proceed to assess the total income of the deceased person as if such executor, administrator or other legal representative were the assessee.”;

(b) in sub-section (3), the words, brackets and figure “of sub-section (2)” shall be omitted and after the words “and for this purpose may” the following words shall be inserted, namely:—

“by the issue of the appropriate notice which would have had to be served upon the deceased person had he survived.”.

Amendment of Section 25, Act XI of 1922.

30. In Section 25 of the said Act,—

(a) in sub-section (3), after the words “is discontinued” the words “then, unless there has been a succession by virtue of which the provisions of sub-section (4) have been rendered applicable,” shall be inserted:

(b) after sub-section (3) the following sub-sections shall be inserted, namely:—

“(4) Where the person who was at the commencement of the Indian Income-tax (Amendment) Act, 1939, carrying on any business, profession or vocation on which tax was at any time charged under the provisions of the Indian Income-tax Act, 1913, is succeeded

in such capacity by another person, the change not being merely a change in the constitution of a partnership, no tax shall be payable by the first mentioned person in respect of the income, profits and gains of the period between the end of the previous year and the date of such succession, and such person may further claim that the income, profits and gains of the previous year shall be deemed to have been the income, profits and gains of the said period. When any such claim is made, an assessment shall be made on the basis of the income, profits and gains of the said period, and, if an amount of tax has already been paid in respect of the income, profits and gains of the previous year exceeding the amount payable on the basis of such assessment, a refund shall be given of the difference.

(5) No claim to the relief afforded under sub-section (3) or sub-section (4) shall be entertained unless it is made before the expiry of one year from the date on which the business, profession or vocation was discontinued or the succession took place, as the case may be.”; and

(c) existing sub-section (4) shall be re-numbered sub-section (6), and in that sub-section so re-numbered, for the words, brackets and figures ‘sub-section (1) or sub-section (3)’ the words, brackets and figures ‘sub-section (1), sub-section (3) or sub-section (4)’ shall be substituted.

31. (a) In sub-section (1) of Section 25A of the said Act, the words
 Amendment of Section 25A, Act XI of 1922. “that a separation of the members of the family has taken place and” shall be omitted;

(b) In sub-section (1) of Section 25A of the said Act, after the words ‘Where such an order has been passed’ the words ‘or where any person has succeeded to a business, profession or vocation formerly carried on by a Hindu undivided family whose joint family property has been partitioned on or after the last day on which it carried on such business, profession or vocation’ shall be inserted, the words ‘separation or’ shall be omitted, and, in the proviso, for the words ‘separated members and groups of members’ the words ‘members and groups of members whose joint family property has been partitioned’ shall be substituted.

Amendment of Section 26, Act XI of 1922. **32.** In Section 26 of the said Act,—

(a) in sub-section (1), for the words beginning ‘the assessments on the firm’ and ending ‘proportionate to his interest in the firm’ the words ‘the assessment shall be made on the firm as constituted’ shall be substituted, and to the said sub-section the following provisoes shall be added, namely:—

“Provided that the income, profits and gains of the previous year shall for the purpose of inclusion in the total incomes of the partners

be apportioned between the partners who in such previous year were entitled to receive the same:

Provided further that when the tax assessed upon a partner cannot be recovered from him it shall be recovered from the firm as constituted at the time of making the assessment.”;

(b) for sub-section (2) the following sub-section shall be substituted, namely:—

“(2) Where a person carrying on any business, profession or vocation has been succeeded in such capacity by another person, such person and such other person shall, subject to the provisions of sub-section (4) of Section 25, each be assessed in respect of his actual share, if any, of the income, profits and gains of the previous year:

Provided that, when the person succeeded in the business, profession or vocation cannot be found, the assessment of the profits of the year in which the succession took place up to the date of succession, and for the year preceding that year shall be made on the person succeeding him, in like manner and to the same amount as it would have been made on the person succeeded or when the tax in respect of the assessment made for either of such years assessed on the person succeeded cannot be recovered from him, it shall be payable by and recoverable from the person succeeding, and such person shall be entitled to recover from the person succeeded the amount of any tax so paid.”

Amendment of Section
27, Act XI of 1922.

33. In Section 27 of the said Act, the words “or, in the case of a company, the principal officer thereof” shall be omitted.

Amendment of Section
28, Act XI of 1922.

34. In Section 28 of the said Act,—

(a) for sub-section (1) the following sub-section shall be substituted, namely:—

“(1) If the Income-tax Officer, the Appellate Assistant Commissioner or the Commissioner, in the course of any proceedings under this Act, is satisfied that any person—

(a) has without reasonable cause failed to furnish the return of his total income which he was required to furnish by notice given under sub-section (1) or sub-section (2) of Section 22 or Section 34 or has without reasonable cause failed to furnish it within the time allowed and in the manner required by such notice, or

- (b) has without reasonable cause failed to comply with a notice under sub-section (4) of Section 22 or sub-section (2) of Section 23, or
- (c) has concealed the particulars of his income or deliberately furnished inaccurate particulars of such income,

he may direct that such person shall pay by way of penalty, in the case referred to in clause (a), in addition to the amount of the income-tax and super-tax, if any, payable by him, a sum not exceeding one and a half times that amount, and in the cases referred to in clauses (b) and (c), in addition to any tax payable by him, a sum not exceeding one and a half times the amount of the income-tax and super-tax, if any, which would have been avoided if the income as returned by such person had been accepted as the correct income.

Provided that—

- (a) no penalty for failure to furnish the return of his total income shall be imposed on an assessee whose total income is less than three thousand five hundred rupees unless he has been served with a notice under sub-section (2) of Section 22;
- (b) where a person has failed to comply with a notice under sub-section (2) of Section 22 or Section 34 and proves that he has no income liable to tax, the penalty imposable under this sub-section shall be a penalty not exceeding twenty-five rupees;
- (c) no penalty shall be imposed under this sub-section upon any person assessable under Section 42 as the agent of a person not resident in British India for failure to furnish the return required under Section 22 unless a notice under sub-section (2) of that section or under Section 34 has been served on him.”;

(b) in sub-section (2), for the words “Assistant Commissioner” the words “Appellate Assistant Commissioner” shall be substituted; for the words “in addition to the income-tax payable by him” the words “in addition to the income-tax and super-tax, if any, payable by him” shall be substituted; and for the words “not exceeding the amount of income-tax” the words “not exceeding one and half a times the amount of income-tax and super-tax” shall be substituted;

(c) in sub-section (5), for the words “Assistant Commissioner” the words “Appellate Assistant Commissioner” shall be substituted;

(d) after sub-section (5) the following sub-section shall be added, namely:—

“(6) The Income-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner.”

Substitution of new section for Section 29, Act XI of 1922.

35. For Section 29 of the said Act the following section shall be substituted, namely:—

“29. When any tax or penalty is due in consequence of any order passed under or in pursuance of this Act, the Income-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable.”

Amendment of Section 30, Act XI of 1922.

36. In Section 30 of the said Act,—

(a) in sub-section (1),—

- (i) for the words and figures “or rate at which he is assessed under Section 23 or Section 27” the words and figures “of income assessed under Section 23 or Section 27, or the amount of loss computed under Section 24 or the amount of tax determined under Section 23 or Section 27” shall be substituted;
- (ii) after the words and figure “assessment under Section 27, or,” the word “objecting” shall be inserted, and the words “against him” shall be omitted;
- (iii) after the word, letter and figure “section 25A” the words, figures and brackets “or sub-section (2) of Section 26” shall be inserted, and after the words “made by an Income-tax Officer” the words, letters, figures and brackets “or objecting to any penalty imposed by an Income-tax Officer under sub-section (6) of Section 44-E or sub-section (5) of Section 44-F or sub-section (1) of Section 46” shall be inserted;
- (iv) after the words ‘made by an Income-tax Officer’ the following words, figures and letters shall be inserted, namely:—

“or objecting to a refusal of an Income-tax Officer to allow a claim to a refund under Section 48, 49 or 49-F, or to the amount of the refund allowed by the Income-tax Officer under any of those sections, and any assessee, being a company, objecting to an order made by an Income-tax Officer under sub-section (1) of Section 23A”;

- (v) for the words 'Assistant Commissioner' the words 'Appellate Assistant Commissioner' shall be substituted;
- (vi) for the proviso the following provisoes shall be substituted, namely:—

"Provided that no appeal shall lie against an order under sub-section (1) of Section 46 unless the tax has been paid:

"Provided further that where the partners of a firm are individually assessable on their shares in the total income of the firm, any such partner may appeal to the Appellate Assistant Commissioner against any order of an Income-tax Officer determining the amount of the total income or the loss of the firm or the apportionment thereof between the several partners, but in respect of matters which are determined by such order may not appeal against the assessment of his own total income:

Provided further that a share-holder in a company in respect of which an order under Section 23A has been passed by an Income-tax Officer, may not in respect of matters determined by such order appeal against the assessment of his own total income."

(b) in sub-section (2), after the word and figure "Section 27" the words, letters and figures "or of the intimation of an order under sub-section (1) of Section 23A or under Section 48, 49 or 49F" shall be inserted, and for the words "Assistant Commissioner" the words "Appellate Assistant Commissioner" shall be substituted.

Amendment of Section
31, Act XI of 1922.

37. In Section 31 of the said Act,—

(a) for the words 'Assistant Commissioner,' wherever they occur in the section, the words 'Appellate Assistant Commissioner' shall be substituted;

(b) after sub-section (2) the following sub-section shall be inserted, namely:—

"(2A) The Appellate Assistant Commissioner may at the hearing of an appeal allow an appellant to go into any ground of appeal not specified in the grounds of appeal, if the Appellate Assistant Commissioner is satisfied that the omission of that ground from the form of appeal was not wilful or unreasonable."

(c) in sub-section (3),—

(i) in clause (a), after the word 'assessment' the words 'and, in the case of an assessment on a firm or association of persons,

authorise the Income-tax Officer to amend accordingly any assessment made on any partner of the firm or any member of the association,' shall be inserted;

(ii) in clause (b), after the words 'fresh assessment,' where they occur for the second time, the words 'and determine where necessary the amount of tax payable on the basis of such fresh assessment' shall be added;

(iii) for the words and figures 'Section 25 or Section 28' the words, figures and letter 'Section 25, or sub-section (1) of Section 23A or sub-section (2) of Section 26 or Section 48, 49 or 49F' shall be substituted;

(iv) after clause (d) and before the proviso the following shall be inserted, namely:—

“or, in the case of an order under sub-section (1) of Section 25A,

(e) confirm such order or cancel it and either direct the Income-tax Officer to make further inquiry and pass a fresh order or to make an assessment in the manner laid down in sub-section (2) of Section 25A,

or, in the case of an order under Section 28 or sub-section (6) of Section 44E or sub-section (5) of Section 44F or sub-section (1) of Section 46,

(f) confirm or cancel such order or vary it so as either to enhance or reduce the penalty: ;

or, in the case of an appeal against a computation of loss under Section 24,

(g) confirm or vary such computation, ;

(v) in the proviso, after the word 'assessment' the words 'or a penalty' shall be inserted;

(vi) after the proviso the following proviso shall be added, namely:—

“Provided further that at the hearing of any appeal against an order of an Income-tax Officer, the Income-tax Officer shall have the right to be heard either in person or by a representative.”

38. In sub-section (1) of Section 32 of the said Act, for the words 'Assistant Commissioner' the words 'Appellate Assistant Commissioner' shall be substituted, and for the words, brackets and figures 'enhancing his

assessment under sub-section (3) of Section 31' the words, brackets and figures 'under sub-section (3) of Section 31 enhancing his assessment or a penalty imposed under Section 28 or sub-section (6) of Section 44E or sub-section (5) of Section 44F" shall be substituted.

39. In sub-section (1) of Section 33 of the said Act, for the words 'Assistant Commissioner' the words 'Appellate Assistant Commissioner' shall be substituted, and for the word, brackets and figure 'sub-section (4)' the word, brackets and figure 'sub-section (5)' shall be substituted.

40. Section 33A of the said Act shall be omitted.

41. (1) Section 34 of the said Act shall be re-numbered as sub-section (1) of that section, and in the section as so re-numbered,—

(a) for the words 'for any reason' the words 'in consequence of definite information which has come into his possession the Income-tax Officer discovers that' shall be substituted;

(b) for the words 'has escaped assessment in any year, or has been assessed at too low a rate' the words 'have escaped assessment in any year, or have been under-assessed, or have been assessed at too low a rate, or have been the subject of excessive relief under this Act' shall be substituted;

(c) for the words 'at any time within one year' the following shall be substituted, namely:—

"in any case in which he has reason to believe that the assessee has concealed the particulars of his income or deliberately furnished inaccurate particulars thereof, at any time within eight years, and in any other case at any time within four years";

(d) after the proviso the following proviso shall be added, namely:—

"Provided further that when the income, profits or gains concerned are income, profits or gains liable to assessment for a year ending prior to the commencement of the Indian Income-tax (Amendment) Act, 1939, or where the assessment made or to be made is an assessment made or to be made on a person deemed to be the agent of a non-resident person under Section 43, this sub-section shall have effect as if for the periods of eight years and four years a period of one year were substituted."

(2) To the said section as so re-numbered the following sub-section shall be added, namely:—

“(2) No order of assessment under Section 23 or of assessment or re-assessment under sub-section (1) of this section shall be made after the expiry, in any case to which clause (c) of sub-section (1) of Section 28 applies, of eight years, and in any other case, of four years from the end of the year in which the income, profits or gains were first assessable.”

Amendment of Section 35, Act XI of 1922. **42.** In sub-section (1) of Section 35 of the said Act,—

- (a) for the words ‘Assistant Commissioner,’ in both places where they occur, the words ‘Appellate Assistant Commissioner’ shall be substituted;
- (b) for the words ‘within one year,’ in both places where they occur, the words ‘within four years’ shall be substituted;
- (c) for the words ‘demand made upon an assessee’ the words ‘assessment order passed by him’ shall be substituted;
- (d) for the words ‘brought to his notice by the assessee’ the words ‘brought to his notice by an assessee’ shall be substituted;
- (e) after the proviso the following proviso shall be added, namely:—

“Provided further that no such rectification shall be made of any mistake in any order passed more than one year before the commencement of the Indian Income-tax (Amendment) Act, 1939.”

Amendment of Section 37, Act XI of 1922. **43.** In Section 37 of the said Act, for the words ‘Assistant Commissioner,’ in both places where they occur, the words ‘Appellate Assistant Commissioner’ shall be substituted.

Amendment of Section 38, Act XI of 1922. **44.** (1) For clause (3) of Section 38 of the said Act the following clause shall be substituted, namely:—

“(3) require any assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any year rent, interest, commission, royalty or brokerage, or any annuity not being an annuity taxable under the head ‘Salaries,’ amounting to more than four hundred rupees, together with particulars of all such payments made.”

45. In Section 40 of the said Act, for the words 'being in receipt on behalf of such beneficiary of any income' the words 'being entitled to receive on behalf of such beneficiary any income' shall be substituted and to the said section the following proviso shall be added, namely:—

"Provided that in the case of a beneficiary being a person residing out of British India the tax may be levied upon and recovered from him direct."

46. (1) Section 41 of the said Act shall be re-numbered sub-section (1) of that section, and in the section, so re-numbered,—

- (a) the words 'are received by' shall be omitted;
- (b) after the words 'the Official Trustees or' the word 'by' shall be omitted;
- (c) after the words 'appointed by or under any order of a Court' the words 'or any trustee or trustees appointed under a duly executed trust deed, (including the trustee or trustees under any wakf deed which is valid under the Mussalman Wakf Validating Act, 1913), are entitled to receive on behalf of any person' shall be inserted;
- (d) after the words 'receiver or manager,' where they occur for the second time, the words 'or trustee or trustees' shall be inserted;
- (e) for the words 'any person on whose behalf such income, profits or gains are received' the words 'the person on whose behalf such income, profits or gains are receivable' shall be substituted;
- (f) the following provisoes shall be added, namely:—

"Provided that where any such income, profits or gains or any part thereof are not specifically receivable on behalf of any one person, or where the individual shares of the persons on whose behalf they are receivable are indeterminate or unknown, the tax shall be levied and recoverable at the maximum rate:

Provided further that when part only of the income, profits and gains of a trust is chargeable under this Act, that proportion only of the income, profits and gains receivable by a beneficiary from the trust which the part so chargeable bears to the whole income, profits and gains of the trust shall be deemed to have been derived from that part."

(2) To sub-section (1) of Section 41, as so re-numbered, the following sub-section shall be added, namely:—

“(2) Nothing contained in sub-section (1) shall prevent either the direct assessment of the person on whose behalf income, profits or gains therein referred to are receivable, or the recovery from such person of the tax payable in respect of such income, profits or gains”.

Amendment of Section
42, Act XI of 1922.

47. In Section 42 of the said Act,—

(a) in sub-section (1),—

(i) for the words “In the case of any person residing out of British India, all profits or gains accruing or arising to such person,” the words “All income, profits or gains accruing or arising,” shall be substituted;

(ii) for the words ‘or property in British India’ the following words shall be substituted, namely:—

“in British India, or through or from any property in British India, or through or from any asset or source of income in British India, or through or from any money lent at interest and brought into British India in cash or in kind”;

(iii) for the words “shall be chargeable to income-tax in the name of the agent of any such person, and” the words “where the person entitled to the income, profits or gains is not resident in British India, shall be chargeable to income-tax either in his name or in the name of his agent, and in the latter case” shall be substituted;

(iv) in the proviso, for the words ‘Provided that’ the following shall be substituted, namely:—

“Provided that where a person entitled to the income, profits or gains is not resident in British India the income-tax so chargeable may be recovered by deduction under any of the provisions of Section 18 and that”;

(v) after the proviso the following provisos shall be added, namely:—

“Provided further that any such agent, or any person who apprehends that he may be assessed as such an agent, may retain out of any money payable by him to such non-resident person a sum equal to his estimated liability under this sub-section, and in the event of any disagreement between the non-resident person and such agent or person as to the amount to be so retained, such agent or person may secure from the

Income-tax Officer a certificate stating the amount to be so retained pending final settlement of the liability, and the certificate so obtained shall be his warrant for retaining that amount:

Provided further that the amount recoverable from such agent or person at the time of final settlement shall not exceed the amount specified in such certificate except to the extent to which such agent or person may at such time have in his hands additional assets of such non-resident person.”;

(b) in sub-section (2), after the words “Where a person not resident” the words “or not ordinarily resident” shall be inserted; the words, “and not being a British subject or a firm or company constituted within His Majesty’s Dominions or a branch thereof” shall be omitted; the words “or the Assistant Commissioner, as the case may be,” shall be omitted; and for the words commencing “between the resident and the non-resident” and ending “connection with the non-resident” the words “between such persons, the course of business is so arranged that the business done by the resident person with the person not resident or not ordinarily resident” shall be substituted;

(c) for sub-section (3) the following sub-section shall be substituted, namely:—

“(3) In the case of a business of which all the operations are not carried out in British India, the profits and gains of the business deemed under this section to accrue or arise in British India shall be only such profits and gains as are reasonably attributable to that part of the operations carried out in British India.”

Amendment of Section
43, Act XI of 1922.

48. In Section 43 of the said Act,—

(a) before the proviso the following proviso shall be inserted, namely:—

“Provided that where transactions are carried on in the ordinary course of business through a broker in British India in such circumstances that the broker does not in respect of such transactions deal directly with or on behalf of a non-resident principal but deals with or through a non-resident broker who is carrying on such transactions in the ordinary course of his business and not as a principal such first mentioned broker shall not be deemed to be an agent under this section in respect of such transactions:”

(b) in the existing proviso after the word “Provided” the word “further” shall be inserted.

Substitution of new
Section for Section 44,
Act XI of 1922.

49. For Section 44 of the said Act the following section shall be substituted, namely:—

“44. Where any business, profession or vocation carried on by a firm or association of persons has been discontinued, or where an association of persons is dissolved, every person who was at the time of such discontinuance or dissolution a partner of such firm or a member of such association shall, in respect of the income, profits and gains of the firm or association, be jointly and severally liable to assessment under Chapter IV and for the amount of tax payable and all the provisions of Chapter IV shall, so far as may be, apply to any such assessment.”

Liability in case
of a discontinued
firm or associa-
tion.

Amendment of Section
44-C, Act XI of 1922.

50. In Section 44C of the said Act, for the words ‘in any year’ the words ‘in the year’ shall be substituted.

Insertion of new Chap-
ter V-B in Act XI of
1922.

51. After Chapter V-A of the said Act the following Chapter shall be inserted, namely—

“CHAPTER V-B.

SPECIAL PROVISIONS RELATING TO AVOIDANCE OF LIABILITY TO INCOME-TAX AND SUPER-TAX.

44-D. (1) Where any person has, by means of a transfer of assets, by virtue or in consequence whereof, either alone or in conjunction with associated operations, any income which if it were the income of such person would be chargeable to income-tax becomes payable to a person not resident or to a person resident but not ordinarily resident in British India, acquired any rights by virtue or in consequence of which he has within the meaning of this section power to enjoy such income, whether forthwith or in the future, that income shall, whether it would or would not have been chargeable to income-tax apart from the provisions of this section, be deemed to be income of such first mentioned person for all the purposes of this Act.

Avoidance of income-
tax by transactions re-
sulting in the transfer of
income to persons resi-
dent or ordinarily resi-
dent abroad.

(2) Where any person receives or is entitled to receive, whether before or after any transfer of assets by virtue or in consequence whereof either alone or in conjunction with associated operations any income becomes payable to a person not resident or resident but not ordinarily resident in British India, any sum paid or payable by way of a loan or repayment of a loan or any other sum, being a sum which is not paid or

payable for full consideration in money or money's worth, paid or payable otherwise than as income, such income shall, whether it would or would not have been chargeable to income-tax apart from the provisions of this section, be deemed to be the income of the first-mentioned person for all the purposes of this Act.

(3) Sub-sections (1) and (2) shall not apply if such first-mentioned person shows to the satisfaction of the Income-tax Officer either—

- (a) that neither the transfer nor any associated operation had for its purpose or for one of its purposes the avoidance of liability to taxation; or
- (b) that the transfer and all associated operations were *bonâ fide* commercial transactions and were not designed for the purpose of avoiding liability to taxation.

(4) For the purposes of this section, an 'associated operation' means, in relation to any transfer, an operation of any kind effected by any person in relation to any of the assets transferred or any assets representing whether directly or indirectly any of the assets transferred, or to the income arising from any such assets, or to any assets representing whether directly or indirectly the accumulations of income arising from any such assets.

(5) A person shall, for the purposes of this section, be deemed to have power to enjoy income of a person not resident, or resident but not ordinarily resident, in British India, if—

- (a) the income is in fact so dealt with by any person as to be calculated at some point of time and, whether in the form of income or not, to enure for the benefit of the first-mentioned person, or
- (b) the receipt or accrual of the income operates to increase the value to such first-mentioned person of any assets held by him or for his benefit, or
- (c) such first mentioned person receives or is entitled to receive at any time any benefit provided or to be provided out of that income or out of moneys which are or will be available for the purpose by reason of the effect or successive effects of the associated operations on that income and on any assets which represent that income, or
- (d) such first mentioned person has power by means of the exercise of any power of appointment or power of revocation or otherwise to obtain for himself, whether with or without the consent of any other person, the beneficial enjoyment of the income, or

- (e) such first mentioned person is able, in any manner whatsoever and whether directly or indirectly, to control the application of the income.

(6) In determining whether a person has power to enjoy income within the meaning of this section, regard shall be had to the substantial result and effect of the transfer and any associated operations, and all benefits which may at any time accrue to such person as a result of the transfer and any associated operations shall be taken into account irrespective of the nature or form of the benefits.

(7) For the purposes of this section—

- (a) the expression 'assets' includes property or rights of any kind, and the expression 'transfer' in relation to rights includes the creation of those rights;
- (b) the expression 'benefit' includes a payment of any kind;
- (c) references to income of a person not resident or of a person not ordinarily resident in British India shall, where the amount of the income of a company for any year or period has been deemed to have been distributed under sub-section (1) of Section 23A, include references to so much of the income of the company for that year or period as is equal to the amount deemed to have been distributed to that person;
- (d) references to assets representing any assets, income or accumulations of income include references to shares in or obligations of any company to which, or obligation of any other person to whom, those assets, that income or those accumulations are or have been transferred;
- (e) any body corporate incorporated outside British India shall be treated as if it were resident out of British India whether it is so resident or not.

(8) The provisions of this section shall apply for the purposes of assessment to income-tax and super-tax for the year ending on the 31st day of March, 1940, and subsequent years, and shall apply, in relation to transfers of assets and associated operations whether carried out before or after the commencement of the Indian Income-tax (Amendment) Act, 1939.

(9) Where any person has been charged to tax on any income deemed to be his under the provisions of this section, and that income is subsequently received by him, whether as income or in any other form, it shall not again be deemed to form part of his income for the purposes of this Act.

44E. (1) Where the owner of any securities (in this sub-section and in sub-section (2) referred to as 'the owner') ^{Avoidance of tax, by certain transactions in securities.} agrees to sell or transfer those securities, and by the same or any collateral agreement—

- (a) agrees to buy back or re-acquire the securities, or
- (b) acquires an option, which he subsequently exercises, to buy back or re-acquire the securities,

then, if the result of the transaction is that any interest becoming payable in respect of the securities is receivable otherwise than by the owner, the interest payable as aforesaid shall, whether it would or would not have been chargeable to tax apart from the provisions of this section, be deemed for all the purposes of this Act to be the income of the owner and not to be the income of any other person.

(2) The references in sub-section (1) to buying back or re-acquiring the securities shall be deemed to include references to buying or acquiring similar securities, so, however, that where similar securities are bought or acquired, the owner shall be under no greater liability to tax than he would have been under if the original securities had been bought back or re-acquired.

(3) Where any person carrying on a business which consists wholly or partly in dealing in securities agrees to buy or acquire any securities, and by the same or any collateral agreement—

- (a) agrees to sell back or re-transfer the securities, or
- (b) acquires an option, which he subsequently exercises, to sell back or re-transfer the securities,

then, if the result of the transaction is that any interest becoming payable in respect of the securities is receivable by him, no account shall be taken of the transaction in computing for any of the purposes of this Act the profits arising from or loss sustained in the business.

(4) Sub-section (3) shall have effect, subject to any necessary modifications, as if references to selling back or re-transferring the securities included references to selling or transferring similar securities.

(5) For the purpose of this section—

- (a) the expression 'interest' includes a dividend;
- (b) the expression 'securities' includes stocks and shares;
- (c) securities shall be deemed to be similar if they entitle their holders to the same rights against the same persons as to capital and interest and the same remedies for the enforce-

ment of those rights, notwithstanding any difference in the total nominal amounts of the respective securities or in the form in which they are held or the manner in which they can be transferred.

(6) The Income-tax Officer may by notice in writing require any person to furnish him within such time as he may direct (not being less than twenty-eight days), in respect of all securities of which such person was the owner at any time during the period specified in the notice, such particulars as he considers necessary for the purposes of this section and for the purpose of discovering whether tax has been borne in respect of the interest on all those securities; and, if that person without reasonable excuse fails to comply with the notice, he shall be liable to a penalty not exceeding five hundred rupees and to a further penalty of the like amount for every day after the infliction of such penalty during which the failure continues.

44F. (1) Any person upon whom notice is served by the Income-tax Officer requiring him to furnish a statement of particulars relating to any securities in which, at any time during the period specified in the notice he has had any beneficial interest, and in respect of which within such period, either no income was received by him, or the income received by him was less than the sum to which the income would have amounted if the income from such securities had accrued from day to day and been apportioned accordingly, shall, whether an assessment to income-tax or super-tax in respect of his total income has or has not been made for the relevant year or years of assessment, furnish such a statement and such particulars in the form and within the time (not being less than twenty-eight days) required by the notice.

(2) If it appears to the Income-tax Officer by reference to all the circumstances in relation to the securities of any such person (including circumstances with respect to sales, purchases, dealings, contracts, arrangements, transfers, or any other transactions relating to such securities) that such person has thereby avoided or would avoid more than ten per cent. of the amount of the income-tax or super-tax for any year which would have been payable in his case in respect of the income from those securities if the income had been deemed to accrue from day to day and had been apportioned accordingly, and the income so deemed to have been apportioned to him had been treated as part of his total income from all sources for the purposes of income-tax or super-tax, then those securities shall be deemed to be securities to which sub-section (3) applies.

(3) For the purposes of assessment to income-tax or super-tax in the case of any such person, the income from any securities to which this sub-section applies shall be deemed to accrue from day to day, and in the

case of the sale or transfer of any such securities by or to him shall be deemed to have been received as and when it is deemed to have accrued:

Provided that this section shall not apply if such person proves to the satisfaction of the Income-tax Officer that the avoidance of income-tax or super-tax was exceptional and not systematic and that there was not in his case in any of the three preceding years any such avoidance of income-tax or super-tax, or that the provisions of Section 44E have been applied in his case in respect of such income.

(4) If any person fails to furnish any statement or particulars required under this section, or if the Income-tax Officer is not satisfied with any statement or particulars furnished under this section, the Income-tax Officer may make an estimate of the amount of the income which, under the foregoing provisions of this section, is to be deemed to form part of the person's total income for the purposes of income-tax or super-tax.

(5) If any person without reasonable excuse fails to furnish any statement or particulars required under this section, he shall be liable to a penalty not exceeding five hundred rupees, and to a further penalty of the like amount for every day after the infliction of such penalty during which the failure continues.

(6) For the purpose of this section the expression 'securities' includes stocks and shares."

52. In Section 45 of the said Act, for the words, brackets and figure "under sub-section (4)" the words, brackets and figure "under sub-section (3)" shall be substituted, and the words, figures and letter "or under Section 33A" shall be omitted and to the section the following shall be added, namely:—

"provided further that where an assessee has been assessed in respect of income arising outside British India in a country the laws of which prohibit or restrict the remittance of money to British India, the Income-tax Officer shall not treat the assessee as in default in respect of that part of the tax which is due in respect of that amount of his income which by reason of such prohibition or restriction cannot be brought into British India, and shall continue to treat the assessee as not in default in respect of such part of the tax until the prohibition or restriction is removed.

Explanation.—For the purposes of this section income shall be deemed to have been brought into British India if it has been utilized or could have been utilized for the purposes of any expenditure actually incurred by the assessee without British India, or if the

income whether capitalized or not has been brought into British India in any form."

53. In sub-section (7) of Section 46 of the said Act, after the word and figure "Section 42" the words and figure "or of the proviso to Section 45" shall be inserted, and for the words "the year" the words "the financial year" shall be substituted.

Amendment of Section
46, Act XI of 1922.

In Section 47 of the said Act, after the word and figure "Section 28", the words, letters, figures and brackets "sub-section (6) of Section 44E, sub-section (5) of Section 44F" shall be inserted.

Substitution of new
Section for Section 48,
Act XI of 1922.

55. For Section 48 of the said Act the following section shall be substituted, namely:—

"48. (1) If any individual, Hindu undivided family, company, local authority, firm or other association of persons, or any partner of a firm or member of an association individually satisfies the Income-tax Officer or other authority appointed by the Central Government in this behalf that the amount of tax paid by him or on his behalf or treated as paid on his behalf for any year exceeds the amount with which he is properly chargeable under this Act for that year, he shall be entitled to a refund of any such excess.

(2) The Appellate Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision if satisfied to the like effect shall cause a refund to be made by the Income-tax Officer of any amount found to have been wrongly paid or paid in excess.

(3) Where income of one person is included under any provision of this Act in the total income of any other person such other person only shall be entitled to a refund under this section in respect of such income.

(4) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or, where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief or to entitle any person to claim a refund of tax payable before the commencement of the Indian Income-tax

(Amendment) Act, 1939, which he would not be entitled to claim but for the passing of that Act."

Omission of Section
48A, Act XI of 1922.

56. Section 48A of the said Act shall be omitted.

Amendment of Section
49, Act XI of 1922.

57. In Section 49 of the said Act,—

(a) in sub-section (1),—

(i) after the word 'paid', where it occurs for the first time, the words and figures 'by deduction under Section 18 or otherwise' shall be inserted; after the word 'paid', where it occurs for the second time, the words 'by deduction or otherwise' shall be inserted, and for the words 'for that year' the words 'for the corresponding year' shall be substituted;

(ii) the following proviso shall be added, namely:—

"Provided that in no case shall the rate at which such refund is calculated exceed half the Indian rate of tax appropriate to the income of the person entitled to relief."

(b) in sub-section (2), for clause (b) the following clause shall be substituted namely:—

"(b) the expression 'Indian rate of tax' means the amount of Indian income-tax exclusive of super-tax after deduction of any relief due to a claimant under the other provisions of this Act but before deduction of any relief due to him under this section, divided by his total income after deducting therefrom any income (including income from a share in an unregistered firm) exempted from tax by or under the provisions of this Act, added to the amount of Indian super-tax before deduction of any relief due to the claimant under this section divided by his total income;"

Insertion of new Sec-
tions 49A, 49B and 49C
in Act XI of 1922.

58. After Section 49 of the said Act the following sections shall be inserted, namely:—

"49A. (1) The Central Government may, by notification in the official Gazette, make provision for the granting of relief

Relief in respect of
Indian State and Domi-
nion income-tax.

in respect of income on which has been paid both
income-tax (including super-tax) under this Act

and Dominion income-tax.

(2) For the purposes of this section 'Dominion income-tax' means any income-tax or super-tax charged under any law in force in any Indian State or in any part of His Majesty's Dominions (other than the United Kingdom)

where the laws of that State or part provide for relief in respect of tax charged on income both in that State or part and in British India which appears to the Central Board of Revenue to correspond to the relief which may be granted by this section.

49B. Where a shareholder has received a dividend from a company which has paid income-tax imposed in British India or elsewhere, he shall be deemed, in respect of such dividend, himself to have paid the income-tax (exclusive of super-tax) paid by the company on so much of the dividend as bears to the whole the same proportion as the amount of income on which the company has paid such income-tax bears to the whole income of the company.

49C. (1) Where a shareholder has received a dividend from a company which has obtained the relief referred to in Section 49 granted under Section 49A or under the India and Burma (Income-tax Relief) Order, 1936, he shall be deemed in respect of such dividend himself to have obtained such relief at the rate at which such relief has been granted, in respect of income-tax only, to the company for the financial year preceding the year in which the dividend was paid.

(2) If the rate at which a shareholder is deemed under sub-section (1) to have obtained relief exceeds the rate at which he would have been entitled to relief had such relief been given direct to him by or under the said sections or Order, any excess shall be recovered from him either as an addition to the tax payable by him on any assessment made on him under Section 23 or Section 34 or by setting it off against any relief due to him under Section 48.

49D. If any person who has paid by deduction or otherwise Indian income-tax for any year in respect of any income arising without British India in a country the laws of which do not provide for any relief in respect of income-tax charged in British India proves that he has paid income-tax by deduction or otherwise under the laws of the said country in respect of the same income, he shall be entitled to the deduction from the Indian income-tax payable of a sum equal to one-half of such Indian income-tax or to one-half of such tax payable in the said country, whichever is the less."

59. Section 49A of the said Act shall be re-numbered 49E, and in that section so re-numbered, for the words "Assistant Commissioner" the words "Appellate Assistant Commissioner" shall be substituted.

Amendment of Section
49A, Act XI of 1922.

Amendment of Section
49B, Act XI of 1922.

60. Section 49B of the said Act shall be re-numbered 49F, and in that section so re-numbered, the word, figures and letter "or 48A" shall be omitted.

Amendment of Section
50, Act XI of 1922.

61. In Section 50 of the said Act,—

- (a) after the word "income-tax" the words "or super-tax" shall be inserted;
- (b) for the words beginning "one year from the last day" and ending "whichever period may expire later" the following shall be substituted, namely:—

"four years from the last day of the financial year commencing next after the expiry of the previous year in which the income arose, accrued or was received or was deemed to have arisen, accrued or been received or was brought into British India :

Provided that where the claim is to a refund of income-tax or super-tax paid prior to the commencement of the Indian Income-tax (Amendment) Act, 1939, the claim shall not be allowed unless it is made within one year from the last day of the year in which the tax was recovered or before the last day of the financial year commencing after the expiry of the previous year as defined in clause (11) of Section 2 in which the income arose on which the tax was recovered, whichever period may expire later:";

- (c) in the existing proviso, after the word "Provided" the word "further" shall be inserted; after the word and figures "Section 49" the words, brackets and figures "of tax paid prior to the commencement of the Indian Income-tax (Amendment) Act, 1939" shall be inserted.

Omission of Section
50A, Act XI of 1922.

62. Section 50A of the said Act shall be omitted.

63. In clause (c) of Section 51 of the said Act, before the word and figures "Section 22" the words, brackets and figure "sub-section (2) of " shall be inserted.

Amendment of Section
51, Act XI of 1922.

Amendment of Section
52, Act XI of 1922.

64. In Section 52 of the said Act,—

- (a) after the words, figures and letter "or Section 20A" the words and figures "or Section 21" shall be inserted, and the words, brackets, figures and letters "or sub-section (2) of Section 33A or sub-section (3) of Section 50A" shall be omitted;

- (b) for the words "be deemed to have committed an offence described in Section 177 of the Indian Penal Code" the words "be punishable, on conviction before a Magistrate, with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both" shall be substituted.

Amendment of Section
53, Act XI of 1922.

65. In Section 53 of the said Act,—

- (a) in sub-section (1), for the words "Assistant Commissioner" the words "Inspecting Assistant Commissioner" shall be substituted;

- (b) for sub-section (2) the following sub-section shall be substituted, namely:—

"(2) 'The Inspecting Assistant Commissioner may either before or after the institution of proceedings compound any such offence,'."

Amendment of Section
54, Act XI of 1922.

66. In Section 54 of the said Act,—

- a) in the first proviso to sub-section (2) the words "Provided that" be omitted and the proviso shall be numbered as sub-section (3);

- b) in sub-section (3) so re-numbered,—

- (i) after clause (c) the following clauses shall be inserted, namely:—

"(d) of any such particulars to a Civil Court in any suit to which Government is a party, which relates to any matter arising out of any proceeding under this Act, or

(e) of any such particulars to the Auditor General of India for the purpose of enabling him to discharge his functions under Section 144 of the Government of India Act, 1935, or

(f) of any such particulars to any officer appointed by the Auditor General of India or the Central Board of Revenue to audit income-tax receipts or refunds, or

(g) of any such particulars, relevant to any inquiry into the conduct of an official of the Income-tax Department, to any persons appointed Commissioners under the Public Servants (Inquiries) Act, 1850, or to an officer otherwise appointed to hold such inquiry, or to a Public Service Commission established under the Government of India Act, 1935, when exercising its functions in relation to any matter arising out of any such inquiry, or";

- (ii) existing clause (cc) shall be re-lettered clause (h) and for existing clause (d) the following clauses shall be substituted, namely:—

“(i) of such facts, to an authorised officer of the United Kingdom, or of any Indian State or of any part of His Majesty’s Dominions which has entered into an agreement with British India for the granting of double taxation relief, as may be necessary for the purpose of enabling such relief or a refund under Section 49 of this Act to be given, or

(j) of such facts, to an officer of a Provincial Government, as may be necessary for the purpose of enabling that Government to levy or realise any tax imposed by it on agricultural income, or

VIII of 1878.

(k) of such facts, to any authority exercising powers under the Sea Customs Act, 1878, or any Act of the Central Legislature imposing a duty of excise as may be necessary for enabling it duly to exercise such powers, or

(l) of such facts, to a Returning Officer, as may be necessary to establish whether a person is or is not entitled to be entered on an electoral roll, or

(m) so much of such particulars, to the appropriate authority, as may be necessary to establish whether a person has or has not been assessed to income-tax in any particular year or years, where under the provisions of any law for the time being in force such fact is required to be established;”;

(c) in the second and third provisos to sub-section (2) the words “Provided further that” shall be omitted and these provisos shall be numbered, respectively, as sub-section (4) and sub-section (5);

(d) in sub-section (4) so re-numbered, after the words “proceeding under” the words, letter and figure “Section 25A or” shall be inserted.

Amendment of Section
55, Act XI of 1922.

67. In Section 55 of the said Act,—

- (a) for the words “company, unregistered firm or other association or individuals” the words “company, local authority, unregistered firm or other association of persons” shall be substituted, and after the words “not being a registered firm,” the words “or the partners of the firm or members of the association individually” shall be inserted;”;

(b) before the existing proviso the following proviso shall be inserted, namely:—

“Provided that where under the provisions of clause (b) of sub-section (5) of Section 23 an unregistered firm has been assessed in the manner applicable to a registered firm, super-tax shall be payable by each partner of the firm individually on his share in the income, profits and gains of the firm and not by the firm itself;” and

(c) in the existing proviso,—

- (i) after the word ‘Provided’ the word ‘further’ shall be inserted;
- (ii) after the words ‘unregistered firm’ the words ‘or other association of persons not being a company’ shall be inserted;
- (iii) for the words ‘an individual having a share in the firm’ the words ‘a partner of the firm or a member of the association, as the case may be,’ shall be substituted.

68. In Section 56 of the said Act, after the word “company” the words “local authority” shall be inserted, and for the words ‘association of individuals’ the words ‘association of persons’ shall be substituted.

Amendment of Section 56, Act XI of 1922.

69. Section 57 of the said Act shall be omitted.

Omission of Section 57, Act XI of 1922.

Amendment of Section 58, Act XI of 1922.

70. In Section 58 of the said Act,—

(a) in sub-section (1), for the words “the proviso” the words “the second proviso” shall be substituted, and the figures “17”, “21” and “48” shall be omitted and for the words, brackets and figures “sub-sections (2) and (3)” the words, brackets and figure “sub-section (2)” shall be substituted, and for the figure “20”, the words, figures and brackets “and 20 and the first proviso to sub-section (1) of Section 41 and section” shall be substituted;

(b) in sub-section (2), for the words, brackets, figures and letters “sub-sections (3A), (3B), (3C) and (3D)” the words, brackets figures and letters “sub-sections (2), (2A), (2B), (3B), (3C), (3D) and (3E)” shall be substituted and the word and figures “section 57” shall be omitted.

Amendment of Section 58A, Act XI of 1922.

71. In clause (b) of Section 58A of the said Act,—

- (a) in sub-clause (i) the words “individuals or” shall be omitted;
- (b) in sub-clause (ii) the words and figures “or Section 11” shall be omitted.

72. In Section 58B of the said Act, sub-section (2) shall be omitted, and sub-sections (3), (4) and (5) shall be re-numbered, (2), (3) and (4), respectively and in sub-section (4) as so re-numbered after the word “recognise” the words “or an order withdrawing recognition from” shall be inserted.

Amendment of Section 58B, Act XI of 1922.

73. In Section 58I of the said Act,—

(a) to sub-section (1) the words “or six thousand rupees, whichever is less” shall be added;

(b) in sub-section (2), for the words beginning “In the accounts of a recognised provident fund” and ending “Such interest shall be exempt from payment of income-tax,” the following shall be substituted, namely:—

“Interest credited on the accumulated balance of any employee in a recognised provident fund shall be exempt from payment of income-tax, if and in so far as it does not exceed one-third of the salary of the employee for the year concerned and”.

74. In sub-section (3) of Section 58G of the said Act, for the words beginning “from the payment of which” and ending “in addition to any other income-tax” the following shall be substituted, namely:—

Amendment of Section 58G, Act XI of 1922.

“and super-tax which would have been payable by the employee in respect of his total income for each of the years concerned if the fund had not been a recognised provident fund, and the amount by which such total exceeds the total of all sums paid by or on behalf of such employee by way of tax for such years shall be payable by the employee in addition to any other income-tax and super-tax”.

Amendment of Section 58K, Act XI of 1922.

75. In sub-section (2) of Section 58K of the said Act,—

(a) after the word “shall” the following words shall be inserted, namely:—

“, if the employer has made effective arrangements to secure that tax shall be deducted at source from the amount of such share when paid to the employee,”;

(b) for the word, brackets and figures “clause (ix)” the word, brackets and figures “clause (xii)” shall be substituted.

Insertion of new Chapter in Act XI of 1922.

76. After Chapter IX-A of the said Act the following Chapter shall be inserted, namely:—

"CHAPTER IX-B.

SPECIAL PROVISIONS RELATING TO CERTAIN CLASSES OF
SUPERANNUATION FUNDS.

Definitions. 58-N. In this Chapter, unless there is anything repugnant in the subject or context,—

- (a) 'approved superannuation fund' means a superannuation fund or any part of a superannuation fund which has been and continues to be approved by the Central Board of Revenue in accordance with the provisions of this Chapter;
- (b) 'employer', 'employee' and 'contribution' have, in relation to superannuation funds, the meanings assigned to those expressions in section 58-A in relation to provident funds;
- (c) 'ordinary annual contribution' means an annual contribution of a fixed amount or an annual contribution computed on some definite basis by reference to the earnings, the contributions or the number of members of the fund.

58-O. (1) The Central Board of Revenue may accord approval to any superannuation fund or any part of a superannuation fund which in its opinion complies with the requirements of Section 58-P, and may at any time withdraw such approval, if in its opinion the circumstances of the fund or part cease to warrant the continuance of the approval.

(2) The Central Board of Revenue shall communicate in writing to the trustees of the fund the grant of approval with the date on which the approval is to take effect, and, where the approval is granted subject to conditions, those conditions.

(3) The Central Board of Revenue shall communicate in writing to the trustees of the fund any withdrawal of approval with the reasons for such withdrawal and the date on which the withdrawal is to take effect.

(4) The Central Board of Revenue shall neither refuse nor withdraw approval to any superannuation fund or any part of a superannuation fund unless it has given the trustees of that fund a reasonable opportunity of being heard in the matter.

58-P. In order that a superannuation fund may receive and retain approval the following conditions shall be satisfied, namely:—

- (a) the fund shall be a fund established under an irrevocable trust in connection with a trade or undertaking carried on in British India;

- (b) the fund shall have for its sole purpose the provision of annuities for employees in the trade or undertaking on their retirement at or after a specified age or on their becoming incapacitated prior to such retirement, or for the widows, children or dependants of persons who are or have been such employees on the death of those persons; and ,
- (c) the employer in the trade or undertaking shall be a contributor to the fund:

Provided that the Central Board of Revenue may, if it thinks fit and subject to such conditions, if any, as it thinks proper to attach to the approval, approve a fund or any part of a fund—

- (i) notwithstanding that the rules of the fund provide for the return in certain contingencies of contributions paid to the fund, or
- (ii) if the main purpose of the fund is the provision of such annuities as aforesaid, notwithstanding that such provision is not its sole purpose, or
- (iii) notwithstanding that the trade or undertaking in connection with which the fund is established is carried on only partly in British India.

58-Q. (1) An application for approval of a superannuation fund or part of a superannuation fund for any year of assessment shall be made in writing before the end of that year by the trustees of the fund to the Income-tax Officer, and shall be accompanied by a copy of the instrument under which the fund is established and by two copies of the rules and of the accounts of the fund for the last year for which such accounts have been made up. The Central Board of Revenue may require such further information to be supplied as it thinks proper.

(2) If any alteration in the rules, constitution, objects, or conditions of the fund is made at any time after the date of the application for approval, the trustees of the fund shall forthwith communicate such alteration to the Income-tax Officer, and in default of such communication any approval given shall, unless the Central Board of Revenue otherwise orders, be deemed to have been withdrawn from the date on which the alteration took effect.

58-R. Income derived from investments or deposits of an approved superannuation fund shall be exempt from payment of income-tax, and any sum paid by an employer or an employee by way of contribution towards an approved superannuation fund shall, in the case of an employer, be deducted

Exemption of super-
annuation fund from in-
come-tax.

in computing his income, profits or gains for the purpose of assessment, and, in the case of an employee, be treated for all the purposes of this Act as if it were a sum to which the provisions of Section 15 apply:

Provided that no such exemption shall be allowable to an employee in respect of any sum which is not an ordinary annual contribution:

Provided further that where a contribution by an employer is not an ordinary annual contribution it shall, for the purposes of this section, be treated, as the Central Board of Revenue may direct, either as an expense incurred in the year in which the sum is paid, or as an expense to be spread over such period of years as the Central Board of Revenue thinks proper.

58-S. (1) Where any contributions (including interest on contributions, if any) are repaid to an employee, the amount so repaid shall be deemed for the purposes of income-tax and super-tax to be income of the employee for that year.

(2) Where any contributions (including interest on contributions, if any) are repaid to an employee during his lifetime but not at or in connection with the termination of his employment, income-tax on the amount so repaid or paid shall except in the case of an employee whose employment was carried on abroad, be deducted by the trustees of the fund at the average rate of tax at which the employee was liable to income-tax and super-tax during the preceding three years or during such period, if less than three years, as he was a member of the fund, and shall be paid by the trustees to the credit of the Central Government within the prescribed time and in such manner as the Central Board of Revenue may direct.

58-T. Where an employer deducts from the emoluments paid to an employee or pays on his behalf any contributions of that employee to an approved superannuation fund, he shall include all such deductions of payments in the return which he is required to furnish under Section 21.

Deduction from pay of, and contributions on behalf of, employee to be included in return under Section 21.

58-U. If a fund or a part of a fund for any reason ceases to be an approved superannuation fund, the trustees of the fund shall nevertheless remain liable to account for tax on any sum paid—

Liabilities of trustees on cessation of approval of fund.

(a) on account of returned contributions (including interest on contributions, if any), and

(b) in commutation or in lieu of annuities,

in so far as the sum so paid is in respect of contributions made before the fund or part of the fund ceased to be an approved fund under the provisions of this Chapter.

58-V. The trustees of an approved superannuation fund and any em-

Particulars to be fur-
nished in respect of
superannuation funds.

ployer who contributes to an approved super-
annuation fund shall, when required by notice from
the Income-tax Officer, within twenty-one days of

the date of such notice:—

- (a) furnish to the Income-tax Officer a return containing such particulars of contributions made to the fund as the notice may require;
- (b) prepare and deliver to the Income-tax Office a return contain-
ing—
 - (i) the name and place of residence of every person in receipt of an annuity from the fund,
 - (ii) the amount of the annuity payable to each annuitant,
 - (iii) particulars of every contribution (including interest on contributions, if any) returned to the employer or to employees; and
 - (iv) particulars of sums paid in commutation or in lieu of annuities;
- (c) furnish to the Income-tax Officer a copy of the accounts of the fund to the last date prior to such notice to which such accounts have been made up, together with such other information and particulars as the Central Board of Revenue may reasonably require."

77. In sub-section (2) of Section 59 of the said Act, sub-clause (ii)

Amendment of Section
59, Act XI of 1922.

of clause (a) shall be omitted, and sub-clause (iii)
shall be re-numbered (ii).

Amendment of Section
60, Act XI of 1922.

78. In Section 60 of the said Act,—

(a) in sub-section (2), after the words "twelve months" the following words, brackets and figures shall be inserted, namely:—

"or a payment which is under the provisions of sub-section (1) of Section 7 a profit in lieu of salary", and

for the words "such relief as it may think fit" the words "the appropriate relief" shall be substituted.

(b) the following sub-section shall be added, namely:—

"(3) After the commencement of the Indian Income-tax (Amend-
ment Act, 1939, the power conferred by sub-section (1) shall not be
exercisable except for the purpose of rescinding an exemption, re-
duction or modification already made."

Substitution of new
section for Section 61,
Act XI of 1922.

79. For Section 61 of the said Act the following section shall be substituted, namely:—

“61. (1) Any assessee, who is entitled or required to attend before any Income-tax authority in connection with any proceeding under this Act otherwise than when required under Section 37 to attend personally for examination on oath or affirmation, may attend by a person authorised by him in writing in this behalf, being a relative of or a person regularly employed by the assessee, or a lawyer or accountant or Income-tax practitioner, and not being disqualified by or under sub-section (3).

(2) In this section,—

- (i) a person regularly employed by the assessee shall include any officer of a Scheduled Bank with which the assessee maintains a current account or has other dealings;
- (ii) ‘lawyer’ means a Barrister-at-Law or solicitor or any other person entitled to plead in any Court of law in British India;
- (iii) ‘accountant’ means a registered accountant enrolled in the Register of Accountants maintained by the Central Government under the Auditors Certificate Rules, 1932, or a holder of a restricted certificate under the Restricted Certificate Rules, 1932, or a member of an association of accountants recognised in this behalf by the Central Board of Revenue;
- (iv) ‘Income-tax practitioner’ means—
 - (a) any person who, before the 1st day of April, 1938, attended before an Income-tax authority on behalf of any assessee otherwise than in the capacity of an employee or relative of that assessee;
 - (b) any person who has passed any accountancy examination recognised in this behalf by the Central Board of Revenue; or
 - (c) any person who has acquired such educational qualifications as the Central Board of Revenue may prescribe for this purpose.

(3) No person who has been dismissed from Government service after the 1st day of April, 1938, shall be qualified to represent an assessee under sub-section (1); and if any lawyer or registered accountant is found guilty of misconduct in connection with any income-tax proceedings by the authority empowered to take disciplinary action against members of the profession to which he belongs, or if any other person is found guilty of such misconduct by the Commissioner of Income-tax, the Commissioner of Income-

tax may direct that he shall be thenceforward disqualified to represent an assessee under sub-section (1):

Provided that—

- (a) no such direction shall be made in respect of any person unless he is given a reasonable opportunity of being heard,
- (b) any person against whom such direction is made may, within one month of the making of the direction, appeal to the Central Board of Revenue to have the direction cancelled, and
- (c) no such direction shall take effect until one month from the making thereof or, when an appeal is preferred, until the disposal of the appeal."

80. In sub-section (2) of Section 63 of the said Act, for the words "association of individuals" the words "association of persons" shall be substituted.

Amendment of Section 63, Act XI of 1922.

Amendment of Section 64, Act XI of 1922.

81. In Section 64 of the said Act,—

(a) in sub-section (1) for the word 'business' where it first occurs the words 'a business, profession or vocation' shall be substituted; for the word 'business' where it occurs for the second time the words 'business, profession or vocation' shall be substituted; and for the words 'his principal place of business' the words 'the principal place of his business, profession or vocation' shall be substituted;

(b) to sub-section (3) the following provisos shall be added, namely:—

"Provided further that the place of assessment shall not be called in question by an assessee if he has made a return in response to the notice under sub-section (1) of Section 22 and has stated therein the principal place wherein he carries on his business, profession or vocation, or if he has not made such a return shall not be called in question after the expiry of the time allowed by the notice under sub-section (2) of Section 22 or under Section 34 for the making of a return:

Provided further that if the place of assessment is called in question by an assessee the Income-tax Officer shall, if not satisfied with the correctness of the claim, refer the matter for determination under this sub-section before assessment is made."

Amendment of Section 66, Act XI of 1922.

82. In Section 66 of the said Act,—

- (a) in sub-section (2), the words, figures and letter "or of a decision by a Board of Referees under Section 33A" and the words "or decision", in both places where they occur, shall be omitted;

(b) in the first proviso to sub-section (2), the words and figures "or Section 32" shall be omitted;

(c) in proviso to sub-section (7), the following words shall be added, namely:—

"unless the High Court, on intimation given by the Commissioner within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to His Majesty in Council, makes an order authorising the Commissioner to postpone payment of such refund until the disposal of the appeal to His Majesty in Council".

(d) in clause (a) of sub-section (8), the words the "North-West Frontier Province and" shall be omitted.

Amendment of Section
66A, Act XI of 1922.

83. To sub-section (1) of Section 66A of the said Act the following proviso shall be added, namely:—

"Provided that where in any reference heard by the Bench of the Court of the Judicial Commissioner of the North-West Frontier Province, a difference of opinion arises between the Judicial Commissioner and the Judge of the said Court, the opinion of the Judicial Commissioner shall prevail."

Addition of Schedule to
Act XI of 1922.

84. The following shall be added as a Schedule to the said Act, namely:—

"THE SCHEDULE.

[See Section 10 (7).]

RULES FOR THE COMPUTATION OF THE PROFITS AND GAINS OF INSURANCE BUSINESS.

1. In the case of any person who carries on, or at any time in the preceding year carried on, life insurance business, the profits and gains of such person from that business shall be computed separately from his income, profits or gains from any other business.

2. The profits and gains of life insurance business shall be taken to be either—

(a) the gross external incomings of the preceding year from that business less the management expenses of that year, or

(b) the annual average of the surplus disclosed by the actuarial valuation made for the last inter-valuation period ending before the year for which the assessment is to be made, after

adjusting such surplus so as to exclude from it any surplus or deficit included therein which was made in any earlier inter-valuation period and any expenditure other than expenditure which may under the provisions of Section 10 of this Act be allowed for in computing the profits and gains of a business, whichever is the greater:

Provided that the amount to be allowed as management expenses shall not exceed—

- (a) $7\frac{1}{2}$ per cent. of the premiums received during the preceding year in respect of single premium life insurance policies, *plus*
- (b) in respect of the first year's premiums received in respect of other life insurance policies for which the number of annual premiums received is less than twelve, or for which the number of years during which premiums are payable is less than twelve, for each such premium or each such year $7\frac{1}{2}$ per cent. of such first year's premiums received during the preceding year, *plus*
- (c) 85 per cent. of the first year's premiums received during the preceding year in respect of other life insurance policies and $8\frac{1}{2}$ per cent. of other premiums received during that year in respect of all life insurance policies other than single premium life insurance policies.

3. In computing the surplus for the purpose of rule 2,—

- (a) one-half of the amounts paid to or reserved for or expended on behalf of policyholders shall be allowed as a deduction:

Provided that in the first such computation made under this rule of any such surplus no account shall be taken of any such amounts to the extent to which they are paid out of or in respect of any surplus brought forward from a previous inter-valuation period:

Provided further that if any amount so reserved for policyholders ceases to be so reserved, and is not paid to or expended on behalf of policyholders, one-half of such amount, if it has been previously allowed as a deduction, shall be treated as part of the surplus for the period in which the said amount ceased to be so reserved;

- (b) any amount either written off or reserved in the accounts or through the actuarial valuation balance sheet to meet depreciation of or loss on the realisation of securities or other assets, shall be allowed as a deduction, and any sums taken credit for in the accounts or actuarial valuation balance sheet on account of appreciation of or gains on the realisation of the securities or other assets shall be included in the surplus:

Provided that if upon investigation it appears to the Income-tax Officer after consultation with the Superintendent of Insurance that having due regard to the necessity for making reasonable provision for bonuses to participating policyholders and for contingencies, the rate of interest or other factor employed in determining the liability in respect of outstanding policies is materially inconsistent with the valuation of the securities and other assets so as artificially to reduce the surplus, such adjustment shall be made to the allowance for depreciation of, or to the amount to be included in the surplus in respect of appreciation of, such securities and other assets, as shall increase the surplus for the purposes of these rules to a figure which is fair and just;

- (c) the whole amount of interest received in respect of any securities of the Central Government which have been issued or declared to be income-tax free shall be deducted.

4. Where for any year an assessment is made in accordance with the annual average of a surplus disclosed by a valuation for an inter-valuation period exceeding twelve months, then, in computing the tax payable for that year, credit shall not be given in accordance with sub-section (5) of Section 18 for the tax paid in the preceding year, but credit shall be given for the annual average of the income-tax paid by deduction at source from interest on securities or otherwise during such period.

5. For the purposes of these rules—

- (i) 'preceding year' means that year for which annual accounts are required to be prepared under the Insurance Act, 1938, immediately preceding the year for which the assessment is to be made or until the commencement of the Insurance Act, 1938, the previous year as defined in Section 2 of this Act;
- (ii) 'gross external incomings' means the full amount of incomings from interest, dividends, fines and fees and all other incomings from whatever source derived (except premiums received from policyholders and interest and dividends on any annuity fund) and includes also profits from reversions and on the sale or the granting of annuities, but excludes profits on the realisation of securities:

Provided that incomings, including the annual value of the property occupied by the assessee, which but for the provisions of sub-section (7) of Section 10 would have been assessable under Section 9 shall be computed upon the basis laid down in the last named section, and that there shall be allowed from such gross incomings such deductions as are permissible under that section.

- (iii) 'management expenses' means the full amount of expenses (including commissions) incurred exclusively in the management of the business of life insurance, and in the case of a company carrying on other classes of business as well as the business of life insurance in addition thereto a fair proportion of the expenses incurred in the general management of the whole business. Bonuses or other sums paid to or reserved on behalf of policyholders, depreciation of, and losses on the realisation of, securities and any expenditure other than expenditure which may under the provisions of Section 10 of this Act be allowed for in computing the profits and gains of a business are not management expenses for the purposes of these rules;
- (iv) 'life insurance business' means life insurance business as defined in clause (11) of Section 2 of the Insurance Act, 1938;
- (v) 'securities' includes stocks and shares.

6. The profits and gains of any business of insurance other than life insurance shall be taken to be the balance of the profits disclosed by the annual accounts, copies of which are required under the Insurance Act, 1938, to be furnished to the Superintendent of Insurance, after adjusting such balance so as to exclude from it any expenditure other than expenditure which may under the provisions of Section 10 of this Act be allowed for in computing the profits and gains of a business. Profits and losses on the realisation of investments, and depreciation and appreciation of the value of investments shall be dealt with as provided in Rule 3 for the business of life insurance.

7. The profits and gains of companies carrying on dividing society or assessment business shall be taken to be 15 per cent. of the premium income of the previous year, or in the case of non-resident companies 15 per cent. of the British Indian premium income of the previous year.

8. The profits and gains of the British Indian branches of an insurance company not resident in British India, in the absence of more reliable data, may be deemed to be the proportion of the total world income of the company corresponding to the proportion which its British Indian premium income bears to its total premium income. For the purpose of this rule, the total world income of life insurance companies not resident in British India whose profits are periodically ascertained by actuarial valuation shall be computed in the manner laid down in these rules for the computation of the profits and gains of life insurance business carried on in British India.

9. These rules apply to the assessment of the profits of any business of insurance carried on by a mutual insurance company."

PART II.

Insertion of new Section 5A in Act XI of 1922.

85. After Section 5 of the said Act the following section shall be inserted, namely:—

“5-A. (1) The Central Government shall appoint an Appellate Tribunal consisting of not more than ten persons to exercise the functions conferred on the Appellate Tribunal by this Act.

(2) The Appellate Tribunal shall consist of an equal number of judicial members and accountant members as hereinafter defined.

(3) A judicial member shall be a person who has exercised the powers of a District Judge or who possesses such qualifications as are normally required for appointment to the post of District Judge; and an accountant member shall be a person who has, for a period of not less than six years, practised professionally as a Registered Accountant enrolled on the Register of Accountants maintained by the Central Government under the Auditors Certificate Rules, 1932:

Provided that the Central Government may appoint as an accountant member of the Tribunal any person not possessing the qualifications required by this sub-section, if it is satisfied that he has qualifications and has had adequate experience of a character which render him suitable for appointment to the Tribunal.

(4) The Central Government shall appoint a judicial member of the Tribunal to be president thereof.

(5) The powers and functions of the Appellate Tribunal may be exercised and discharged by Benches constituted from members of the Tribunal by the president of the Tribunal.

(6) A Bench shall consist of not less than two members of the Tribunal, and shall be constituted so as to contain an equal number of judicial members and accountant members, or so that the number of members of one class does not exceed the number of members of the other class by more than one.

(7) If the members of a Bench differ in opinion on any point the point shall be decided according to the opinion of the majority, if there is a majority; but if the members are equally divided, they shall state the point or points on which they differ, and the case shall be referred by the president of the Tribunal for hearing on such point or points by one or more of the other members of the Tribunal, and such point or points shall be decided according to the opinion of the majority of the members of the Tribunal who have heard the case, including those who first heard it.

(8) Subject to the provisions of this Act, the Appellate Tribunal shall have power to regulate its own procedure, and the procedure of Benches of

the Tribunal in all matters arising out of the discharge of its functions, including the place at which the Benches shall hold their sittings."

Amendment of Section
28, Act XI of 1922.

86. In Section 28 of the said Act,—

(a) in sub-section (1) and sub-section (2), for the words "or the Commissioner" the words "or the Appellate Tribunal," and for the words "he may direct" the words "he or it may direct" shall be substituted;

(b) in sub-section (5), for the words "or a Commissioner who has made" the words "or the Appellate Tribunal on making" shall be substituted.

Omission of Section 32,
Act XI of 1922.

87. Section 32 of the said Act shall be omitted.

Substitution of new
section for Section 33,
Act XI of 1922.

88. For Section 33 of the said Act the following section shall be substituted, namely:—

"33. (1) Any assessee objecting to an order passed by an Appellate Assistant Commissioner under Section 28 or Section 31 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he objects to any order passed by an Appellate Assistant Commissioner under Section 31, direct the Income-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days from the date of the order.

(3) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner, and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred rupees.

(4) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and shall communicate any such orders to the assessee and to the Commissioner.

(5) Save as provided in Section 66 orders passed by the Appellate Tribunal on appeal shall be final."

89. In section 35 of the said Act, sub-sections (2) and (3) shall be re-numbered sub-sections (3) and (4), respectively, and the following shall be inserted as sub-section (2), namely:—

Amendment of Section
35, Act XI of 1922.

"(2) The provisions of sub-section (1) apply also in like manner to the rectification of mistakes by the Appellate Tribunal."

90. In section 37 of the said Act, for the words "and Commissioner" the words "Commissioner and Appellate Tribunal" and for the words "or Commissioner" in clause (c) the words, "Commissioner or Appellate Tribunal" shall be substituted.

91. In sub-section (2) of section 48 of the said Act, for the words "The Appellate Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision" the words "The Appellate Assistant Commissioner or the Appellate Tribunal in the exercise of their appellate powers" shall be substituted.

Amendment of Section
66, Act XI of 1922.

92. In section 66 of the said Act,—

(a) for sub-sections (1), (2), (3), (3A), (4) and (5), the following sub-sections shall be substituted, namely:—

"(1) Within sixty days of the date upon which he is served with notice of an order under sub-section (4) of section 33 the assessee or the Commissioner may, by application in the prescribed form, accompanied where application is made by the assessee by a fee of one hundred rupees, require the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall within ninety days of the receipt of such application draw up a statement of the case and refer it to the High Court:

Provided that, if in the exercise of its powers under sub-section (2), the Appellate Tribunal refuses to state a case which it has been required by the assessee to state, the assessee may, within thirty days from the date on which he receives notice of the refusal to state the case, withdraw his application and, if he does so, the fee paid shall be refunded.

(2) If on any application being made under sub-section (1) the Appellate Tribunal refuses to state the case on the ground that no question of law arises, the assessee or the Commissioner, as the case may be, may, within six months from the date on which he is served with notice of the refusal, apply to the High Court, and the High Court may, if it is not satisfied of the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case and to refer it, and on receipt of any such requisition the Appellate Tribunal shall state the case and refer it accordingly.

(3) If on any application being made under sub-section (1) the Appellate Tribunal rejects it on the ground that it is time-barred the assessee or the Commissioner, as the case may be, may, within two months

from the date on which he is served with notice of the rejection, apply to the High Court, and the High Court, if it is not satisfied of the correctness of the Appellate Tribunal's decision, may require the Appellate Tribunal to treat the application as made within the time allowed under sub-section (1).

(4) If the High Court is not satisfied that the statements in a case referred under this section are sufficient to enable it to determine the question raised thereby, the Court may refer the case back to the Appellate Tribunal to make such additions thereto or alternations therein as the Court may direct in that behalf.

(5) The High Court upon the hearing of any such case shall decide the questions of law raised thereby and shall deliver its judgment thereon containing the grounds on which such decision is founded and shall send a copy of such judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal which shall pass such orders as are necessary to dispose of the case conformably to such judgment.”;

(b) in sub-section (6) the words ‘on the application of an assessee’ shall be omitted;

(c) in sub-section (7A), for the words, brackets, figures and letter “under sub-section (3) or sub-section (3A),” the words, brackets and figures “under sub-section (2) or sub-section (3)” shall be substituted.

5 & 6 VICT. CHAPTER 35 : 1842

AN ACT FOR GRANTING TO HER MAJESTY DUTIES ON PROFITS ARISING FROM PROPERTY, PROFESSIONS, TRADES, AND OFFICES, UNTIL THE SIXTH DAY OF APRIL ONE THOUSAND EIGHT HUNDRED AND FORTY-FIVE.
[22ND JUNE 1842].

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal Subjects, the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled, towards raising the necessary Supplies to defray Your Majesty's public Expences, and making an Addition to the public Revenue, have

Duties to be levied under this Act. freely and voluntarily resolved to give and grant unto Your Majesty the several Rates and Duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, that from and after the Fifth Day of April One thousand eight hundred and forty-two there shall be charged, raised, levied, collected, and paid, unto and for the Use of Her Majesty, Her Heirs and Successors, during the Term herein-after limited, the several Rates and Duties mentioned in the several Schedules contained in this Act, and marked respectively (A). (B), (C), (D), and (E); (that is to say,).

SCHEDULE (A).

For all lands, Tenements, and Hereditaments, or Heritages in Great Britain there shall be charged yearly, in respect of the (Schedule A.). Property thereof, for every Twenty Shillings of annual Value thereof, the Sum of Seven-pence:

SCHEDULE (B).

For all lands, Tenements, and Hereditaments in England there shall be charged yearly, in respect of the Occupation Schedule (B.). thereof, for every Twenty Shillings of the annual Value thereof, the Sum of Three-pence Half-penny:

For all Lands, Tenements and Heritages in Scotland there shall be charged yearly, in respect of the Occupation thereof, for every Twenty Shillings of the annual Value thereof, the Sum of Two-pence Half- penny:

SCHEDULE (C).

Upon all Profits arising from Annuities, Dividends, and Shares of Annuities, payable to any Person, Body Politic or Corporate, Company or Society, whether Corporate or not Corporate, out of any public Revenue, there shall be charged yearly, for every Twenty Shillings of the annual Amount thereof, the Sum of Seven-pence, without Deduction:

Schedule (C.).

SCHEDULE (D).

Upon the annual Profits or Gains arising or accruing to any Person residing in Great Britain from any Kind of Property whatever, whether situate in Great Britain or elsewhere, there shall be charged yearly, for every Twenty Shillings of the Amount of such Profits or Gains, the Sum of Seven-pence; and upon the annual Profits or Gains arising or accruing to any Person residing in Great Britain, from any Profession, Trade Employment, or Vocation, whether the same shall be charged yearly, for every Twenty Shillings of the Amount of such Profits or Gains, the Sum of Seven-pence:

Schedule (D.).

And upon the annual Profits or Gains arising or accruing to any Person whatever, whether a Subject of Her Majesty or not, although not resident within Great Britain, from any Property whatever in Great Britain, or any Profession, Trade, Employment, or Vocation exercised within Great Britain, there shall be charged yearly, for every Twenty Shillings of the Amount of such Profits or Gains, the Sum of Seven-pence:

SCHEDULE (E).

Upon every public Office or Employment of Profit, and upon every Annuity, Pension, or Stipend payable by Her Majesty or out of the public Revenue of the United Kingdom, except Annuities before charged to the Duties in Schedule (C.), for every Twenty Shillings of the annual Amount thereof respectively, there shall be charged yearly the Sum of Seven pence.

Schedule (E.).

II. And be it enacted, That upon every fractional Part of Twenty Shillings of the annual Profits or Gains aforesaid the like Proportion of Duty, at the Rate before directed, shall charged; provided no Rate or Duty shall be charged of a lower Denomination than One Penny.

Duties on fractional Parts.

III. And be it enacted, That the Duties by this Act granted shall be

The Duties to be under the Management of the Commissioners of Stamps and Taxes, and to be assessed and raised under the Regulations of the Acts relating to the Assessed Taxes.

under the Direction and Management of the Commissioners of Stamps and Taxes for the Time being, who are hereby empowered to employ all such Officers or other Persons, and to do all such other Acts and Things, as may be deemed necessary or expedient for the raising, collecting,

receiving, and accounting for the said Duties, and for putting this Act into execution, in the like and in as full and ample a Manner as they are authorized to do with relation to any other Duties under their Care and Management; and that the said Duties hereby granted arising in England shall be assessed, raised, levied, and collected under the Regulations of an Act passed in the Forty-third Year of the Reign of King George the Third,

43 G. 3, c. 99.

intituled An Act for consolidating certain of the Provisions contained in any Act or Acts relating

to the Duties under the Management of the Commissioner for the Affairs of Taxes, and for amending the same, and other Acts relating thereto, or for explaining, altering, or amending the same; and the said Duties arising in Scotland shall be assessed, raised, levied, and collected under the Regula-

43, G. 3, c. 150.

tions of an Act passed in the same Session of Parliament, intituled An Act for consolidating

certain of the Provisions contained in any Act or Acts relating to the Duties under the Management of the Commissioners for the Affairs of Taxes, and for amending the said Acts, so far as the same relate to that Part of Great Britain called Scotland, and other Acts relating thereto, or

Powers and provisions of recited Acts and other Acts to be applied to the Duties hereby granted.

for explaining, altering, or amending the same; and all the Powers, Authorities; Methods, Rules, Directions, Penalties, Clauses, Matters, and Things now in force, contained in or enacted by the

several Acts before recited or referred to, or any other Acts relating to the Duties of Assessed Taxes, and also all the Powers, Authorities, Rules, Regulations, Directions, Penalties, Clauses, Matters, and Things contained in or enacted by Two several Acts of Parliament, passed respectively in

48 G. 3, c. 141.

the Forty-eight and Fiftieth Years of the Reign of King George the Third, and intituled, respec-

tively An Act to amend the Acts relating to the Duties of Assessed Taxes, and of the Tax upon the Profits of Property, Professions, Trades, and Offices, and to regulate the Assessment and

50 G. 3, c. 105.

Collection of the same, and An Act to regulate

the Manner of making Surcharges of the Duties of Assessed Taxes and of the Tax upon Profits arising from Property, Professions, Trades, and Offices; and for amending the Acts relating to the said Duties respectively, whether such last-mentioned Powers, Authorities, Rules, Regulations, Directions, Penalties, Clauses, Matters, and Things shall be in force at the Time of the passing of the Act or not, and notwithstanding that the

same or any Part thereof may have expired or been repealed, shall severally and respectively be and become in full Force and effect with respect to the Duties, hereby granted, and shall be severally and respectively duly observed, applied, practised, and put in execution throughout the respective parts of Great Britain, for raising, levying, collecting, receiving, accounting for, and securing of the said Duties hereby granted, and for auditing the Accounts thereof, and otherwise relating thereto, so far as the same shall not be superseded by and shall be consistent with the express Provisions of this Act, as fully and effectually, to all Intents and Purposes, as if the same Powers, Authorities, Methods, Rules, Directions, Penalties, Clauses, Matters, and Things were particularly repeated and re-enacted in the Body of this Act with reference to the said Duties hereby granted, and respectively applied to such Parts of Great Britain as aforesaid; and all and every the Regulations of such Acts (except as aforesaid) shall be applied, construed, deemed, and taken to refer to this Act, and to the Duties hereby granted, in like Manner as if the same had been enacted therein.

IV. 'And whereas it is expedient to appoint Commissioners for the
 Commissioners of Land Tax at District Meetings
 to appoint Commissioners
 for the General Purposes
 of this Act.
 'General Purposes of this Act from and amongst
 'the Persons appointed Commissioners for the
 'Execution of an Act passed in the Thirty-eight
 'Year of the Reign of King George the Third,
 'intituled An Act for granting an Aid to His
 'Majesty by a Land Tax to be raised in Great Britain, for the Service of
 'the Year One thousand seven hundred and
 38 G. 3, c. 5. 'ninety-eight, or from and amongst the Persons
 'appointed Commissioners for the Execution of the said Act by any
 'subsequent Act of Parliament passed or to be passed, to act in the
 'Execution of this Act, so far as relates to the Powers hereby vested in
 'such Commissioners;' be it enacted, That the several Persons appointed or
 to be appointed Commissioners for putting in execution the said Land
 Tax Act in the respective Parts of Great Britain therein mentioned, being
 respectively qualified to act as Commissioners in the Execution of the said
 Land Tax Act, shall meet within the County, Riding, Shire, or Stewartry,
 or within each Hundred Rape, Lathe, or Wapentake of the County, Riding,
 Shire, or Stewartry for which they are or shall be respectively appointed
 Commissioners of the said Land Tax Act, or within such other Division
 of the said County, Riding, Shire, or Stewartry as the Commissioners of
 Stamps and Taxes shall direct, and also within each city, Borough, Cinque
 Port, Liberty, Franchise, Town, and Place for which separate Commis-
 sioners have been appointed with exclusive Jurisdiction for putting in
 execution the said Land Tax Act within the same, which Meetings
 shall be convened from Time to Time by the Commissioners of
 Stamps and Taxes, when and as they shall deem necessary, by Notice
 inserted in the London Gazetee and Edinburgh Gazette for England and

Scotland respectively, and shall be held at such Time and Place as shall be appointed by such Notice; and at every such

Manner of choosing Commissioners;

Meeting the said Commissioners of the Land Tax Act, or the major Part of them then present, shall

choose and set down in Writing the Names of such of the Commissioners appointed as aforesaid who shall respectively be qualified as herein-after is required, and who shall be fit and proper to act as Commissioners for the General Purposes of this Act in such County, Riding, Shire, or Stewartry aforesaid, and in each and every district within each respective Hundred, Rape, Lathe, Wapentake, or other Division aforesaid, and within each City, Borough, Cinque Port, Liberty, Franchise, Town, and Place aforesaid, observing always in the Execution of this Act the same Limits which shall have been or may be settled for the Districts under the Acts relating to the Duties of Assessed Taxes; and the Names of such Persons who shall be so chosen shall be set down in the Order in which the major Part of the Commissioners then present shall judge fit they should respectively be appointed Commissioners in their respective districts; and any Seven, or any less Number than Seven, not being in any Case less than Three, of the Persons so set down, and in the Order in which they shall be so set down in such List, shall be Commissioners for the General Purposes of this Act, and of the Duties granted as aforesaid, and they are hereby required to take upon themselves the Execution of this Act, and of the said Duties, as such Commissioners for General Purposes; and any Seven, or any less Number than Seven, not being in any Case less than Three, of the Persons so set down next in order in the List of Names, before mentioned, shall be Commissioners to supply Vacancies as the same may arise in the Manner hereinafter mentioned: Provided always, that if at any such Meeting as aforesaid the Commissioners shall not find amongst the Commissioners appointed for executing the said Land Tax Act, and set down in manner aforesaid, the Names of Seven Persons to act and Seven others to Supply Vacancies in each such District, it shall be lawful for them to appoint any Persons residing within such District who shall respectively be qualified as hereinafter is required, and who in their Judgment shall be fit and proper, to be Commissioners for the General Purposes of this Act, until the Number of Seven in each such List shall be completed, although such Persons shall not have been appointed to act as Commissioners in the Execution of the said Land Tax Act: Provided also, that if at such Meeting the Commissioners shall not find and set down Fourteen Persons of the Descriptions before mentioned to act as Commissioners and to supply Vacancies in each such District, it shall be lawful for them to select such Number of Persons as shall be requisite from the Persons acting as Com-

and supplying vacancies.

In want of Land Tax Commissioners, other fit Persons residing in the District may be named;

or from adjoining Districts.

Vacancies in each such District, it shall be lawful for them to select such Number of Persons as shall be requisite from the Persons acting as Com-

missioners for executing the said Land Tax Act, in or for any adjoining or neighbouring District of the same County, Riding, Division, Shire, Stewartry, City, Town, or Place, in order that there shall be no Failure in the Execution of this Act; and the Names of such respective Persons who shall have been so chosen as aforesaid shall be transmitted to the Head Office for Stamps and Taxes in England and Scotland respectively in the Order in which they shall have been set down in such Lists: Provided

Where Seven Persons shall be chosen, no others to act. always, that where Seven Persons, qualified as hereinafter is required, shall be chosen to act as Commissioners for any District as aforesaid, no

other Person shall interfere as a Commissioner in the Execution of this Act so long as such Seven Persons shall continue to act, except in the Cases hereinafter mentioned.

V. And be it enacted, That Within and for each of the Cities and Towns hereinafter mentioned, (videlicet), London, Bristol, Exeter, Kingston-upon-Hull Newcastle-upon-Tyne, Norwich, Birmingham, Liverpool, Leeds, Manchester, King's Lynn, and Great Yarmouth, it shall be lawful for the Persons hereinafter mentioned to choose Commissioners, and persons to supply their Vacancies to act together with the Persons to be chosen or appointed as before directed; and that in and for the City of London Two Commissioners, and Two to supply their Vacancies, shall be named by the Mayor and Aldermen of London out of Eight Persons, Four of whom shall be Aldermen, to be returned to them by the Common Council; Two other Commissioners, and Two to supply their Vacancies, by the Governor and Directors of the Bank of England; One other Commissioner, and One other to supply his Vacancy, by each of the Companies hereinafter mentioned; (videlicet), the Directors of the East India Company, the Governor and Directors of the South Sea Company, the Governor and Directors of the Royal Exchange Assurance Company, the Governor and Directors of the London Assurance Company, the Directors for conducting and managing the Affairs of the East and West India Dock Company, and the Directors for conducting and managing the London Dock Company and the Saint Katherine Dock Company, respectively, for the Time being; and that it shall be lawful for the Magistrates and Justices of the Peace acting in and for the City of Norwich to choose Eight Persons to be Commissioners, and Eight Persons to supply their Vacancies, not more than Four of the said Eight Commissioners, and not more than Four of the said Eight Persons to supply their Vacancies, to be chosen from out of the said Magistrates and Justices, and the remaining Four Commissioners, and Four Persons to supply their Vacancies, to be chosen from the Inhabitants of the said City; and in and for each of the other Cities and Towns before mentioned it shall be lawful for the Magistrates and

Justices of the Peace acting in and for the said Cities and Towns respectively together with the Justices of the Peace acting in and for the County, Riding, or Division wherein the same respectively are situate, to choose Eight Persons to be Commissioners, and Eight Persons to supply their Vacancies, as herein is mentioned; and the Persons so to be chosen by the Land Tax Commissioners as aforesaid, together with the other Persons respectively to be chosen as herein is particularly directed, shall be Commissioners for the Purposes of this Act, and to supply their Vacancies, as the same may arise, within and for the several Districts in which such Cities and Towns respectively shall be situate, or which shall be formed by such Cities and Towns respectively, and for such other Places which have usually been assessed in the same District with such Cities and Towns respectively towards the Aid by a Land Tax; and the Names of all Persons so chosen as last aforesaid shall be returned to the Commissioners of Stamps and Taxes.

VI. Provided always, and be it enacted, That in case there shall not

Where sufficient Commissioners are not chosen for Cities and Towns, the Commissioners for the County may be chosen.

be a sufficient Number of Commissioners chosen or appointed for General Purposes as aforesaid, or to supply Vacancies, capable of acting according to the Qualification required by this Act for any City, Borough, Town, or Place, then and in every such Case any Person qualified to act for the County at large, or Riding, Shire, or

Power to choose Persons duly qualified, although not named Commissioners of Land Tax.

Stewartry, in which or adjoining which such City, Borough, Town, or Place shall be situate, may be chosen to act as a Commissioner for such City, Borough, Town, or Place: Provided, also, that any Person residing in any County, Riding, Division, Shire, Stewartry, City, Town, or place where a Commissioner shall be wanting, and qualified as hereinafter mentioned, who shall be willing to act as a Commissioner for General Purposes as aforesaid, in any District where a Commissioner shall be wanting, may be chosen in manner aforesaid to be such Commissioner, although such Person shall not have been appointed to act in the Execution of the said Land Tax Act; any thing herein before contained to the contrary notwithstanding.

VII. And be it enacted, That when any Commissioner for General Pur-

How Vacancies among such Commissioners are to be supplied.

poses shall die, or decline to act, or having begun to act shall decline to act any further therein, the remaining Commissioners shall choose One or more

of the Persons on the List to supply Vacancies, who shall be appointed in the Place of the Commissioner so refusing or declining to act, or dying, provided the Person so to be appointed to supply such Vacancy shall have been chosen in the same Manner as the Person so refusing or declining to act, or dying; and the several Commissioners of Land Tax shall at

such their Meetings, convened in manner aforesaid, and the several Persons authorized to appoint Commissioners for the several Cities and Towns aforesaid shall, on Notice thereof from the Clerk to the acting Commissioners for the same Cities and Towns respectively, as often as Occasion shall require, select and add new Names to the Persons before chosen to supply Vacancies, who shall respectively be Commissioners for General Purposes, as and when such Vacancies shall happen: Provided always, that if the List for supplying Vacancies, to be made and renewed as aforesaid shall at any Time be defective, so that the due Number of Commissioners can not be supplied therefrom, the same shall be filled up and renewed from Time to Time by the acting Commissioners for General Purposes in the District where such Failure shall have happened.

VIII. And be it enacted, That if in any District there shall be a Neglect in appointing Commissioners for General Purposes as hereby is directed, or the Commissioners so appointed shall neglect or refuse to act, or having begun to act shall decline to act further therein, it shall be lawful for the Commissioners appointed to execute the said Land Tax Act, being respectively qualified as directed by this Act, and they and every of them, not in any Case exceeding the Number of Seven, on Notice of such Neglect and Want of Appointment, given to their Clerk, by any Inspector or Surveyor of Taxes duly authorized to give such Notice by the Commissioners of Stamps and Taxes, shall and they are hereby strictly enjoined and required to take upon themselves forthwith the Execution of this Act, and to do and execute all Matters and things which Commissioners chosen in pursuance of this Act are hereby required and empowered to do; and if in any District there shall be a Want of such last-mentioned Commissioners, the Commissioners of any adjoining District in the Same County, Riding, or Division, Shire or Stewartry, being respectively qualified as directed by this Act, shall, on like Notice as aforesaid, execute this Act as such Commissioners, by themselves, or in concurrence with any Persons willing to act as Commissioners of the District where this Act shall require to be executed; and if the Persons aforesaid to whom such Notice shall have been given shall not take upon themselves the Execution of this Act, within Ten Days next after such Notice given, or shall not proceed therein with due Diligence, then and in every such Case it shall be lawful for the Commissioners for Special Purposes, to be appointed under the Authority of this Act, to execute this Act in such District in all Matters and Things hereby directed to be done by Commissioners for General purposes: Provided always, that where Commissioners willing to act in each District shall not be returned to the Head Office for Stamps and Taxes in England and Scotland respectively as

Commissioners of Land Tax Act to execute the Act in default of appointing other Commissioners, or on Neglect of Commissioners appointed under this Act;

and Commissioners for Special Purposes on Neglect of Land Tax Commissioners.

aforesaid, then and in such Case it shall be lawful for the said Commissioners of Stamps and Taxes to cause such Notices as aforesaid to be given to Two or more of the Persons on whom the Right of executing this Act shall devolve in pursuance of the Directions of this Act before mentioned.

IX. And be it enacted, That the Commissioners to be appointed for General Purposes in manner aforesaid shall appoint a Clerk, and if necessary an Assistant Clerk, for the Duties to be assessed by them in each District, who shall execute their Office according to the Regulations of this Act and the Acts herein respectively mentioned or referred to; and every such Clerk and Assistant shall act as such, as well in all Matters and Things to be done by, under, and before the respective Commissioners for General Purposes, as by, under, and before the respective Additional Commissioners hereinafter mentioned in the respective Districts; provided that no more than One Clerk's Assistant shall be appointed for any District without the Approbation of the Commissioners of Stamps and Taxes, on a Statement made to them by the Commissioners for General Purposes of the Necessity thereof in consideration of the Extent or Population of the District; and if any Clerk or Clerk's Assistant appointed under the Authority of this Act, who shall have taken the Oath hereinafter required, shall wilfully obstruct or delay the Execution of this Act, or shall negligently conduct or wilfully misconduct himself in the Execution of this Act, he shall forfeit the Sum of One hundred Pounds, and shall be dismissed from the said Office, and be rendered incapable of again acting as Clerk or Clerk's Assistant in the Execution of this Act or any other Act for granting Duties under the Management of the Commissioners of Stamps and Taxes.

X. And be it enacted, That no Person herein required to be qualified in respect of Estate shall be capable of acting as a Commissioner for General Purposes in the Execution of this Act for any District or Division of any County at large within England (the County of Monmouth and the Dominion of Wales excepted), or of any of the Ridings of the County of York, or of the County or Divisions of Lincoln, or in or of any of the several Cities and Towns of London, Westminster, Bristol, Exeter, Kingston-upon-Hull, Newcastle-upon-Tyne, Norwich, Birmingham, Liverpool, Leeds, Manchester, King's Lynn, and Great Yarmouth, unless such Person be seised or possessed of Lands, Tenements, or Hereditaments in Great Britain of the Value of two hundred Pounds per Annum or more, of his own Estate, being Freehold or Copyhold, or Leasehold for a Term whereof not less than Seven Years

are unexpired, over and above all Ground Rents, Incumbrances, and Reservations payable out of the same respectively, or unless such Person shall be possessed of Personal Estate of the value of Five thousand Pounds, or a Personal Estate, or an Interest therein, producing an annual Income of Two hundred Pounds, or of Lands, Tenements, or Hereditaments, and Personal Estate, or an Interest therein, being together of the annual Value of Two hundred Pounds, estimating in every such Case One hundred Pounds Personal Estate as equivalent to Four Pounds per Annum, and an Interest from Personal Estate of Four Pounds per Annum as equivalent to One hundred Pounds Personal Estate, or unless such Person be the eldest Son of some Person who shall be seised or possessed of a like Estate of Thrice the Value required as the Qualification of a Commissioner, in right of his own Estate, for such County at large, Riding, Division, or City.

XI. And be it enacted, That no Person herein required to be qualified in respect of Estate shall be capable of acting as a Commissioner for General Purposes in execution of this Act in any District or Division of the County of Monmouth, or of any County in Wales, or for any City, Borough, Cinque Port, Liberty, Franchise, Town, or Place in England or Wales (other than the Cities and Towns herein-before mentioned), unless such Person be seised or possessed of an Estate of the like Nature and of Four Fifths of the Value required for the Estate of a Commissioner acting for a District or Division of a County at large in England as aforesaid, or unless such Person be the eldest Son of some Person who shall be seised or possessed of some Estate of Thrice the Value required as the Qualification of a Commissioner, in right of his own Estate, for the same County, City, Borough, Cinque Port, Liberty, Franchise, Town, or Place.

XII. And be it enacted, That no Person hereby required to be qualified in respect of Estate shall be capable of acting as a Commissioner for General Purposes in execution of this Act for any Shire or Stewartry in Scotland unless such Person be enfeoffed in Superiority or Property, or possessed as Proprietor or Life Renter, of Lands in Scotland to the Extent of One hundred and fifty Pounds Scots per Annum valued Rent, or unless such Person be possessed of Personal Estate of the Value of Five thousand Pounds, or of Personal Estate, or an Interest therein, producing an annual Income of Two hundred Pounds Sterling, or be enfeoffed or possessed as aforesaid of Lands and Personal Estate, or an Interest therein, being together of the annual Value of Two hundred Pounds Sterling, estimating in every such Case One hundred Pounds Personal Estate as equivalent to Four Pounds per Annum, and an Interest from Personal Estate of Four Pounds per Annum as equivalent to One hundred Pounds Personal

Estate, or unless such Person be the eldest Son of some Person who shall be enfeoffed or possessed of a like Estate of Twice the Value required as the Qualification of a Commissioner, in right of his own Estate, for such Shire or Stewartry.

XIII. And be it enacted, That no Person herein required to be qualified in respect of Estate shall be capable of acting as a Commissioner for General Purposes in execution of this Act for any City or Borough in Scotland unless such Person be enfeoffed or possessed of an Estate of the like Nature and of Three Fifths of the Value required for the Estate of a Commissioner acting for any Shire or Stewartry in Scotland, or unless such Person be the eldest Son of some Person enfeoffed or possessed of some Estate of Thrice the Value required as the Qualification of a Commissioner, in right of his own Estate, for the same City or Borough.

XIV. Provided always, and be it enacted, That no Estate consisting of Lands or Tenements, as the Qualification of a Commissioner, shall be required to be situate in the County, Riding, Division, Shire, or Stewartry for which any Person shall be a Commissioner: Provided also, that the Proof of Qualification where required shall lie on the Person acting in the Execution of this Act, in such Manner as is by Law directed with respect to Commissioners acting in the Execution of the said Land Tax Act.

XV. Provided also, and be it enacted, That nothing herein contained shall be construed to require any Qualification of a Commissioner in the District of the Places of Whitehall and Saint James Westminster, for any Officer who shall have heretofore acted or may hereafter act as a Commissioner for putting in execution the said Land Tax Act in the said District, other than the Possession of their respective Offices; nor in any Shire or Stewartry in Scotland, for any Provost, Baillie, Dean of Guild, Treasurer, Master of the Merchants Company, or Deacon Convenor of the Trades for the Time being of any Royal Burgh in Scotland, nor any Baillie for the Time being of any Borough of Regality or Barony of Scotland, nor the Factors for the Time being on the several forfeited Estates annexed to the Crown by an Act passed in the Twenty-fifth Year of the Reign of King George the Second, who shall be respectively appointed Commissioners for executing the said Land Tax Act in any Shire or Stewartry in Scotland; nor for any Commissioner for Special Purposes acting in the Execution of any of the Powers or Provisions of this Act.

XVI. And be it enacted, That whenever it shall be deemed by the Commissioners for the General Purposes of this Act to be expedient that certain of the Powers herein contained shall be executed by Commissioners other than and in addition to the Person to be chosen or appointed as aforesaid, such Additional Commissioners shall be chosen by the Commissioners for General Purposes acting in the same District; for which purpose the said Commissioners, being duly qualified as required by this Act, shall, with the Consent of the major Part of them assembled at any Meeting to be held for that Purpose, set down in Writing Lists of the Names of such Persons residing within their respective Districts as shall in the Opinion of such Commissioners be fit and proper Persons to act as such Additional Commissioners, which Lists shall contain the Names of so many of those Persons as the said Commissioners shall in their Discretion, after taking into consideration the Size of each District, and the Number of Persons to be assessed therein, think requisite for the due Execution of this Act; which Lists, being respectively signed by such Commissioners, shall be a sufficient Authority for such Additional Commissioners being respectively qualified as herein-after is mentioned, and they are hereby authorized to take upon themselves the Execution of the several Powers of this Act according to the Provisions thereof: Provided always, that the Persons appointed to supply Vacancies in any District may be chosen and act as Additional Commissioners until their Services shall be required as Commissioners for General Purposes: Provided also, that no Person shall be capable of acting as such Additional Commissioner who shall not be seized or enfeoffed or possessed of an Estate of the like Nature, and of One Half the Value, herein required for the Estate of a Commissioner for General Purposes in the same District: Provided also, that where no Additional Commissioners shall be named and appointed in any District, the Commissioners appointed for General Purposes shall execute this Act in such District in all Matters and Things hereby authorized to be done by Additional Commissioners.

For choosing additional Commissioners.

In default of naming Additional Commissioners.

XVII. Provided always, and be it enacted, That if in any City, Liberty, Franchise, Cinque Port, Town, or Place, for which separate Commissioners have been appointed to act in execution of the said Land Tax Act, there shall not be found a sufficient Number of Persons, qualified as directed by this Act, and willing to act as Commissioners for General Purposes, or as Additional Commissioners, it shall be lawful to appoint, as such Commissioners or Additional Commissioners, any Persons residing in such City, Liberty, Franchise, Cinque Port, Town, or Place, who shall be liable to be assessed under the Provisions contained in this Act for

Appointment of Commissioners in Places not having Persons qualified.

annual Profits, however arising, to the Amount of Two Hundred Pounds or upwards.

XVIII. And be it enacted, That whenever a new Appointment of Commissioners shall take place they shall execute this Act as well with respect to the Duties which shall not but which ought to have been assessed in any former Year, and with respect to Arrears of Duties assessed in any former Year, under this Act, as to the Assessments to be made in such Year in which they shall be appointed, and shall have the like Powers to assess, levy, and collect such Duties and Arrears as they have to assess, levy, and collect the Duties assessed by them; for all which Acts such Appointment shall be a sufficient Authority, subject to the Regulations of this Act.

XIX. And be it enacted, That whenever the said Commissioners for General Purposes shall have named such Additional Commissioners as aforesaid, they shall cause Notice thereof in Writing, signed by Two or more of them, to be delivered to the said Additional Commissioners by the Assessors of the respective Parishes or Places where they reside, naming the Day and Place appointed by the Commissioners for General Purposes for the First Meeting of the said Additional Commissioners, and which Meeting shall be appointed to be held not later than Ten Days after the Date of such Notice; and the said respective Assessors shall, without Delay, cause the respective Persons so named to be summoned, by Notice in Writing, either given personally or left at their respective Places of Abode, to assemble, at the Time and Place mentioned in such Notice, for the Purpose of qualifying themselves to act in the Execution of the Powers vested in them by this Act; and the said Commissioners for General Purposes shall administer the Oath to such Additional Commissioners required by this Act to be taken by them, and shall then and there appoint a Day for the said Additional Commissioners to bring in their Certificates of Assessment in the Manner herein directed; and the Clerk to the Commissioners in each District, or his Assistant, shall also be appointed Clerk to the Additional Commissioners appointed for the same District, and shall attend the said Additional Commissioners at their Meetings as their Clerk.

XX. And be it enacted, That it shall be lawful for the Commissioners for General Purposes, whenever in their Judgment the same shall be requisite, to divide such Additional Commissioners into District Committees, and to allot to each Committee distinct Parishes, Wards, or Places in which such Committees shall separately act in the Execution of this Act, but so

that the Meetings of such Committee shall be appointed at such Times as that the Clerk to such Commissioners may attend every Meeting: Provided

Number of Additional Commissioners in each Committee or District. always, that not more than Seven Persons shall act together as Additional Commissioners for the same District not being formed into several Divisions as aforesaid, nor any greater Number act together in the same Committee; and that where more than Seven Persons shall attend as such Additional Commissioners at any Meeting, either for the Whole of any District, or for any Division thereof, the Seven Persons first in their Order on the List signed by the Commissioners for General Purposes then present shall act, and the rest shall withdraw from such Meeting: Provided also, that not less than Two Additional Commissioners shall be competent to form any Meeting either for any District or Division thereof, and that any Two of them, or the major Part of them then present, shall be competent to do any Act authorized by this Act.

XXI. Provided always, and be it enacted, That if it shall appear to

For appointing a greater number of Commissioners for General Purposes instead of Additional Commissioners. the Commissioners for General Purposes, whether they shall have been chosen as aforesaid or shall act by virtue of their Appointment of Commissioners for executing the said Land Tax Act, to be expedient that a greater Number than Seven

Commissioners for General Purposes, possessing the Qualification required for such Commissioners, should be appointed for any District, instead of appointing Commissioners possessing only the Qualification required for Additional Commissioners as before mentioned, it shall be lawful for them to appoint such greater Number, not in any Case exceeding the Number of Seven, observing, with regard to such Appointments, the same Rules as in the first Appointment of Commissioners for General Purposes, but

Two of them to execute the Office of Additional Commissioners. nevertheless without adding thereto any Persons to supply their Vacancies; and in every case of appointing such increased Number of Commissioners for General Purposes it shall be lawful for the said Commissioners, at their First Meeting after such Appointment, and they are hereby required, to choose indifferently by Lot such Number of their own Body, not less than Two or more than seven, to execute the Office vested in Additional Commissioners by this Act, and the Persons so chosen shall be Additional Commissioners for executing this Act and the Powers hereby vested in Additional Commissioners, and they are hereby required to execute this Act accordingly, and the remaining Commissioners, not so chosen by Lot,

Where none such are appointed, then Commissioners for General Purposes may act. shall execute the Powers vested in the Commissioners for General Purposes: Provided also, that where no such Additional Commissioners shall have been appointed specially to execute the Powers vested in Additional Commissioners, the Commissioners acting in

the Execution of the Powers of this Act, whether chosen as aforesaid or not, shall divide themselves in such Manner that Two Commissioners at the least shall be appointed to execute the Powers vested in Additional

If not sufficient, then others may be taken out of the adjoining District.

Commissioners by this Act; and if in such Case there shall not be Two remaining Persons at least qualified to act as Commissioners for General Purposes in such District, then the Persons qualified to act in the Execution of the Powers of this Act as Commissioners for General Purposes in any adjoining District of the same County, Riding, Division, Shire, or Stewartry, or such Number of them as shall be requisite, shall execute this Act and the Powers hereby vested in Commissioners for General Purposes in and for such first-mentioned District.

XXII. And be it enacted, That the Commissioners for General Purposes shall execute this Act in all Matters and

Commissioners for General Purposes to execute all Matters with respect to the Duties under all the Schedules, except such as are directed to be executed by Special or other Commissioners.

Things relating to the Duties in Schedules (A.) and (B.) of this Act, except such Allowances in respect thereof as are directed to be made in Number VI of Schedule (A.) by other Commissioners for Special Purposes as herein-after mentioned, and also all Matters and Things relating

to the Duties in Schedule (D.) of this Act, except in Cases where such Matters and Things are herein directed to be done by the said Commissioners for Special Purposes, or by the Additional Commissioners, or Persons acting as such; and the said Commissioners for General Purposes shall also execute this Act in all Matters and Things relating to the Duties in Schedule (E.) not executed by the Commissioners authorized to be appointed for those Duties: Provided always, that nothing herein contained shall be construed to preclude any Person chosen a Commissioner for General Purposes from acting as such by reason of his acting or having acted as an Additional Commissioner, except only in the hearing and determining of Appeal against or relating to such particular assessments, wherein he shall have made an Assessment as such Additional Commissioner.

XXIII. And be it enacted, That the Commissioners of Stamps and

Commissioners for Special Purposes.

Taxes for the Time being, together with such Persons as shall be appointed Commissioners for Special Purposes as next herein-after mentioned, shall be Commissioners for the Special Purposes of this Act; and it shall be lawful for the Commissioners of Her Majesty's Treasury of the United Kingdom of Great Britain and Ireland, by Warrant under their Hands and Seals, from Time to Time to appoint such and so many other Persons to be Commissioners for such Special Purposes as they respectively shall think expedient; which said Commissioners of Stamps and Taxes, and Com-

Functions of Special Commissioners.

missioners so to be appointed as last aforesaid, without other Qualification being required than the Possession of their respective Offices, shall have full Authority to execute the several Powers given by this Act to Commissioners for Special Purposes, either in relation to the Allowances specified in Number VI. Schedule (A.) of this Act, or in relation to the special Exemptions granted from the Duties mentioned in Schedule (C.) of this Act, or to the charging and assessing the Profits arising from Annuities, Dividends, and Shares of Annuities paid in Great Britain out of the Revenues of any Foreign State, as herein mentioned, and also in relation to the examining, auditing, checking, and clearing the Books and Accounts of Dividends delivered to the Commissioners of Stamps and Taxes under the Authority of this Act; and shall also have full Authority to do any other Act, Matter, or Thing hereby directed or required to be done by Commissioners for Special Purposes; and all Powers, Provisions, Clauses, Matters, and Things contained in this Act for ascertaining the Amount of any Duty, Exemption, or Allowance mentioned in this Act shall be used, practised, and put in execution by the said Commissioners for Special Purposes in ascertaining the Amount of Duty or any Exemption or Allow-

Their Proceedings to be by Affidavit without *viva voce* examination.

ance placed under their Cognizance or Jurisdiction: Provided always, that it shall not be lawful for the said Commissioners for Special Purposes (except when acting in the Execution of this Act in the Place of Commissioners for General Purposes, or on any Appeal in the Cases authorized by this Act,) to summon any person to be examined before them, but all Inquiries by or before the said Commissioners for Special Purposes (except in the several Cases aforesaid) shall be answered by Affidavit, to be taken before One of the Commissioners for General Purposes in their respective Districts; and such Commissioners for Special Purposes shall have Authority to use, exercise, and apply all the Powers of this Act as effectually as any other Commissioners are hereby authorized to use, exercise, or apply the same, so far as the same Powers relate to the Jurisdiction given to the said Commissioners for Special Purposes; and the said Commissioners for Special Purposes shall and may be allowed such salary for their Pains and Trouble, and such incidental Expences, as the said Commissioners of

Appointments of Commissioners with Salaries to be laid before Parliament.

Her Majesty's Treasury shall direct to be paid to them: Provided always, that the said Commissioners of Her Majesty's Treasury shall cause an Account of all Appointments of Commissioners for Special Purposes with Salaries to be laid before each House of Parliament within Twenty Days after their appointment respectively, if Parliament shall then be sitting, and if Parliament shall not be sitting, then within Twenty Days after the next Meeting of Parliament,

XXIV. And be it enacted, That the Governor and Directors of the

Governor and Directors of the Bank of England to be Commissioners for assessing Duties on all Annuities, Dividends, Pensions, Salaries, &c., payable by the Bank, and on their Profits.

Company of the Bank of England shall be Commissioners for executing this Act, for the Purpose of assessing and charging the Duties hereby granted in respect of all Annuities payable to the said Company at the Receipt of the Exchequer, and the Profits attached to the same and divided

amongst the several Proprietors, and in respect of all Annuities, Dividends, and Shares of Annuities payable out of the Revenue of the United Kingdom to any Persons, Corporations, or Companies whatever, and which shall have been intrusted to the said Governor and Company for such Payment, and in respect of all other Annuities, Dividends, and Shares of Annuities which shall have been intrusted to the said Governor and Company for Payment as aforesaid, and in respect of all Profits and Gains of the said Company chargeable under Schedule (D.) of this Act, and in respect of all other Dividends, Annuities, Pensions and Salaries payable by the said Company, and also in respect of all other Profits chargeable with Duty under this Act, and arising within any Office or Department under the Management or Control of the said Governor and Company; and the said Commissioners shall have Authority to use, exercise, and apply all the Powers of this Act as fully and effectually as the Commissioners for the General Purposes of this Act are authorized to use, exercise, or apply the same, so far as the same relate to the said Duties to be assessed and charged by the said Governor and Directors, and shall make their Assessments of the said Duties under and subject to the Rules, Regulations, and Exemptions contained in the several Schedules of this Act under which such Duties are respectively chargeable.

XXV. And be it enacted, That the Governor and Directors of the

Governor, &c., of the Bank of Ireland to be Commissioners for assessing Duties on Annuities and Dividends to Persons not resident in Ireland.

Company of the Bank of Ireland shall be Commissioners for executing this Act, and with the like Powers as aforesaid, for the Purpose of assessing and charging the Duties hereby granted in respect of all Annuities, Dividends and Shares of Annuities payable by the Governor and Com-

pany of the Bank of Ireland, out of the public Revenue of the United Kingdom, to or for the Use or Benefit of any Persons not resident in Ireland; and the said last mentioned Commissioners shall make their Assessments of the said Duties, under and subject to the Rules, Regulations, and Exemptions contained in Schedule (C.) of this Act.

XXVI. And be it enacted, That the Governors and Directors of the

Governors, &c. of the South Sea Company to be Commissioners for assessing Duties on all Annuities, Dividends, Pensions, Salaries, &c. payable by them.

South Sea Company shall be Commissioners for executing this Act, with the like Powers as aforesaid, for the Purpose of assessing and charging the Duties hereby granted in respect of all Annuities payable to the said Company at the Receipt of the Exchequer, and the Profits attached

to the same and divided amongst the several Proprietors, and in respect of all Annuities, Dividends, and Shares of Annuities payable out of the Revenue of the United Kingdom to any Persons, Corporations, or Companies whatever, and which shall have been intrusted to the said Company for such Payment, and in respect of all other Dividends, Annuities, Pensions, and Salaries payable by the said Company, and also in respect of all other Profits chargeable with Duty under this Act, and arising within any Office or Department under the Management or Control of the said Governors and Company; and the said Commissioners shall make their Assessments of the said Duties, under and subject to the Rules, Regulations, and Exemptions contained in the several Schedules of this Act under which such Duties are respectively chargeable.

XXVII. And be it enacted, That the Directors of the East India Com-

pany shall be Commissioners for executing this Act, and with the like Powers as aforesaid, for the Purpose of assessing and charging the Duties hereby granted in respect of the Interest payable on the Bonds of the said Company, and in respect of all Dividends, Annuities, Pensions, and Salaries payable by the said Company, and also in respect of all other Profits and Gains chargeable with Duty under this Act, and arising within any Office or Department under the Management or Control of the said Company; which Assessments shall be made under and subject to the Rules, Regulations, and Exemptions contained in the several Schedules under which the said Duties are respectively chargeable.

Directors of the East India Company to be Commissioners for assessing Duties on Interest, Dividends, Annuities, Pensions, Salaries, &c. payable by them.

of all Dividends, Annuities, Pensions, and Salaries payable by the said Company, and also in respect of all other Profits and Gains chargeable with Duty under this Act, and arising within any Office or Department under the Management or Control of the said Company; which Assessments shall be made under and subject to the Rules, Regulations, and Exemptions contained in the several Schedules under which the said Duties are respectively chargeable.

XXVIII. And be it enacted, That the Commissioners for the Reduc-

tion of the National Debt shall be Commissioners for executing this Act, and with the like Powers as aforesaid, for the Purpose of assessing and charging the Duties hereby granted in respect of all Annuities payable by them out of the Revenue of the United Kingdom, and in respect of all Salaries and Pensions payable in any Office or Department under their Management or Control; and the said Commissioners shall make their Assessments of the said Duties under and subject to the Rules, Regulations, and Exemptions contained in the several Schedules under which the said Duties are respectively chargeable.

Commissioners for Reduction of National Debt to assess the Duties on all Annuities paid by them, and on Salaries and Pensions.

XXIX. And be it enacted, That the said Commissioners for Special Purposes shall be Commissioners under the Regulations of this Act, and with the like Powers as aforesaid, for the Purpose of assessing and charging the Duties hereby made payable on all Dividends and Shares of Annuities payable out of the Revenue of any Foreign State to any Persons, Corporations, Companies, or Societies in Great Britain, which shall have been or shall be intrusted for such Payment to any Person, Corporation Company, or Society whatever in Great Britain, other than and except the several Companies aforesaid, which Assessments shall be made under and subject to the Rules, Regulations, and Exemptions contained in Schedule (C.) of this Act.

XXX. And for the ordering, raising, levying, and paying of the said Sums of Money hereby made payable on Offices and Employments of Profits, be it enacted, That the Lord High Chancellor, the Judges, and the principal Officer or Officers of each Court or public Department of Office under Her Majesty throughout Great Britain, whether the same shall be Civil, Judicial, or Criminal, Ecclesiastical or Commissary, Military or Naval, shall respectively have Authority to appoint Commissioners from and amongst the Officers of each Court or Department of Office respectively; and the Persons so appointed, or any Three or more of them, not in any case exceeding Seven, shall be Commissioners for executing this Act in relation to the Offices in each such

Appointment of Commissioners for the Duties on Offices in the Courts or public Department.

Power reserved to the Treasury with respect of the assessing of public Departments.

Court or Department respectively: Provided always, that in relation to each Department of Office, not being one of Her Majesty's Courts, Civil, Judicial, or Criminal, or an Ecclesiastical or Commissary Court, the Commissioners of Her Majesty's Treasury shall, whenever they may think it expedient, settle and determine in what particular Departments, Commissioners shall not be appointed, and in such Case shall settle and determine in what other Department of Office the Officers of that Department wherein Commissioners shall not be appointed shall be assessed; and also whenever there shall be any Default in the Officers of any Department, or in any Court aforesaid, in appointing Commissioners, the said Commissioners of Her Majesty's Treasury shall, within the Time herein limited, appoint fit and proper Persons to be Commissioners for executing this Act in the several Courts or Departments of Offices aforesaid for which they shall be appointed, from and amongst the Officers in the several Departments respectively, uniting for the Purposes of this Act, in Cases requiring the same, Two or more Offices under the same Commissioners, but nevertheless with Distinct Officers from each Office so united for assessing and collecting the Duties, as directed by this Act; and where any dispute shall arise touching the Department in which any

Office is executed, the said Commissioners of Her Majesty's Treasury shall determine the same: Provided also, that where the Commissioners of one Department shall execute this Act in relation to any other Department, the Assessors and Collectors for such other Department shall be appointed from the Officers of such other Department, with all the Powers and Privileges appertaining to such Appointments: Provided also, that where no Appointment shall be made of Commissioners before the Expiration of the Time limited by this Act, the Commissioners for executing this Act in relation to the Duties on Lands and Tenements shall, on due Notice in the Manner herein directed, execute this Act in their several Districts in relation to the said Duties on Offices and Employments of Profit exercised within the same Districts respectively; and the Appointment of such Commissioners for Offices and Employments of Profit shall be notified to the Commissioners of Stamps and Taxes; and the Want of such Notification in due Time shall be deemed full Proof of Default in making such Appointment.

XXXI. And be it enacted, That the Speaker and the principal Clerk of either House of Parliament, the principal or other Officers in the several Counties Palatine, and the Duchy of Cornwall, or in any Ecclesiastical Court, or in any inferior Court of Justice, whether of Law or Equity, or Criminal or Justiciary, or under any Ecclesiastical Body or Corporation, whether Aggregate or Sole, throughout Great Britain, shall appoint Commissioners from and amongst the Persons executing Offices in either House of Parliament, or in their respective Departments of Office; and the Persons so appointed, or any Three or more of them, not in any Case exceeding Seven, shall be Commissioners for executing this Act, in relation to the Places, Offices, and Employments of Profit in each House of Parliament, and in each such Department respectively; which Appointments shall be made, and the Names of the Commissioners shall be transmitted to the Commissioners of Stamps and Taxes within the Time herein limited, or in default thereof such Appointments shall be made by the Commissioners of Her Majesty's Treasury: Provided always, that where no such Appointment as last mentioned shall be made before the Expiration of the Time limited by this Act, the Commissioners for executing this Act in relation to the Duties on Lands and Tenements shall, in their several Districts, on due Notice of such Default in the Manner herein directed, also execute this Act in relation to the Duties on such Offices or Employments of Profit exercised within the same Districts respectively; and the Want of Notification of any such Appointment to the Commissioners of Stamps and Taxes in due Time shall be deemed full Proof of Default in making such Appointment.

XXXII. And be it enacted, That the Mayor, Aldermen, and Common Council, or the principal Officers or Members, by whatever Name they shall be called, of every Corporate City, Borough, Town, or Place, and of every Cinque Port, throughout Great Britain, or any Three or more of them, not in any Case exceeding Seven, shall be Commissioners for executing this Act, and the Powers herein contained, in relation to the public Offices or Employments of Profit in such City, Corporation, and Cinque Port, and in every Guild, Fraternity, Company, or Society, whether Corporate or not corporate, within such City, Corporation, or Cinque Port; and that for all Offices or Employments of Profit (not being public Offices or Employments of Profit under Her Majesty) in any County, Riding, Shire, Stewartry, City, Liberty, Franchise, Town, or Place whether in the Appointment of the Lieutenant, Custos Rotulorum, or the Justices or Magistrates, or Commissioners for Aids or Taxes, or Sheriff of such County, Riding, Shire, Stewartry, City, Liberty, Franchise, Town, or Place, or of any Trustees or Guardians of any Trust or Fund in such County, Riding, Shire, Stewartry, City, Town, or Place, and for all Parochial Offices in such County, Riding, Shire, Stewartry, City, Town, or Place, (except Corporate Offices in Cities, Corporate Towns, Boroughs, or Places, or Offices in Cinque Ports, as aforesaid), the Commissioners for executing this Act in relation to the Duties on Lands and Tenements shall, in their several Districts, also execute this Act in relation to the said Duties on Offices in such County, Riding, Shire, Stewartry, City, Liberty, Franchise, Town, or Place; and such respective Commissioners shall and may exercise any of the Powers contained in this Act, in relation to any of the Duties herein mentioned, for causing due Returns to be made from the respective Officers within their respective Jurisdictions, and for compelling the Assessors to make their Assessments, and return the same, and for the due Collection of and accounting for the said Duties, and may act therein in all respects as fully and effectually as any other Commissioners are hereby empowered to act in relation to the said other Duties; provided the Monies collected of the said Duties under the respective Commissioners acting for such Offices in Corporate Cities, Boroughs, Towns, or Places aforesaid, or in the Cinque Ports, or in the several Counties, Ridings, Divisions, Shires, Stewartries, Cities, Liberties, Franchises, Towns and Places, shall be paid to the proper Officer for Receipt for the County, Riding, Shire, or Stewartry, and not otherwise, and that the like Duplicates shall be delivered of such last-mentioned Duties as in other cases where the same are directed to be paid in like Manner.

XXXIII. And be it enacted, That the Appointments of Commissioners

Appointment of Commissioners to be notified to the Stamp and Tax Officers; in default of such Notification, the Appointment to devolve on the Treasury, and the Commissioners of the District to execute the Act.

for executing this Act in relation to the Duties on Offices and Employments of Profit as aforesaid shall be notified to the Commissioners of Stamps and Taxes, within One Calendar Month after the passing of this Act, with respect to the First Assessment under the same, and within One Calendar Month after the Fifth Day of April, in any future Year; and in default thereof the

Appointment of such Commissioners shall devolve on the Commissioners of Her Majesty's Treasury, and on the Commissioners of the District, in succession as aforesaid: Provided always, that such Appointment by the Commissioners of Her Majesty's Treasury shall take place within One Calendar Month after the Notification of such Default as aforesaid from the Commissioners of Stamps, and Taxes; and in case of no Appointment as last aforesaid, notified to the Commissioners of Stamps and Taxes in like Manner, the Execution of this Act shall devolve on the Commissioners appointed for the District in relation to the Duties on Lands, Tenements, and Hereditaments; and every such Appointment shall be until other Commissioners shall be appointed, and may be renewed annually on or before the Fifth Day of April in each Year during the Continuance of this Act: Provided always, that the Commissioners so to be appointed may continue to act from Year to Year, so long as they are respectively willing to act, without any new Appointment, unless it shall be deemed expedient under the Powers of this Act that any Department for which Commissioners have been appointed should be assessed under the Commissioners of any other Department.

Commissioners appointed may continue to act.

Commissioners so to be appointed may continue to act from Year to Year, so long as they are respectively

willing to act, without any new Appointment, unless it shall be deemed expedient under the Powers of this Act that any Department for which Commissioners have been appointed should be assessed under the Commissioners of any other Department.

XXXIV. And be it enacted, That for the better Execution of this

Commissioners for the Duties on pensions and Stipends payable by Her Majesty.

Act, so far as the same relates to the Duties hereby granted on Pensions or Stipends payable by Her Majesty, or out of the public Revenue, contained in Schedule (E.), and for the ordering,

raising, levying, and paying of the Duties hereby made payable thereon, in Cases not otherwise provided for by this Act, the Payments of Civil Services, and such other Persons as the Commissioners of Her Majesty's Treasury shall appoint, shall be Commissioners for executing this Act, and all the Powers herein contained, in relation to the said last-mentioned Duties, or shall respectively appoint Commissioners from and amongst the Officers of those Departments for such Purposes.

XXXV. And be it enacted, That every Person acting as a Commis-

Commissioners entitled to Certificates exempting them from Parish and Ward Offices and serving on Juries.

sioner as aforesaid in the Execution of this Act shall on Request be entitled unto a Certificate thereof under the Hands of the Commissioners of Stamps and Taxes, which Certificate shall continue

in force so long only as such Person shall continue to act as such Commissioner, and shall be revokable by the Commissioners of Her Majesty's Treasury, by any Instrument in Writing under their Hands, when it shall appear to them that such Person hath neglected to perform his duty as such Commissioner; and the Person to whom such Certificate shall have been granted shall, during the Continuance thereof in force, be discharged of and from all Parish and Ward Offices within the Parish or Ward wherein such Person shall dwell, and from serving on Juries in the County wherein such person shall dwell, which said Certificate shall be enrolled by the Clerk of the Peace of the County or City in which the same shall be granted, for which enrolment the said Clerk of the Peace shall have for his Fee the Sum of One Shilling, and no more; and the said Clerk of the Peace shall cause every Certificate revoked in manner aforesaid to be taken off the Roll on Notice thereof to be given to him by the Commissioners of Stamps and Taxes.

XXXVI. And be it enacted, That in England the Commissioners for General Purposes may appoint Assessors and Collectors for the Duties granted by this Act in like Manner as Assessors and Collectors may be appointed under the said Acts relating to the Duties of Assessed Taxes; and in Scotland the said Commissioners for General Purposes may in like Manner appoint Assessors for the said Duties hereby granted; and the same Persons who now are or may be appointed Collectors or Officers for collecting and receiving the Land Tax and Assessed Taxes in Scotland under the Authority of the Act in that Behalf made, and none other, shall be Collectors and Receivers of the Duties granted by this Act.

XXXVII. And be it enacted, That the Officers for Receipt of the Land Tax and Assessed Taxes appointed or to be appointed by the Commissioners of Her Majesty's Treasury, or by the Commissioners of Stamps and Taxes, and the Inspectors and Surveyors appointed or to be appointed in like Manner for the Duties of Assessed Taxes, shall be respectively Officers for Receipt and Inspectors and Surveyors of the Duties granted by this Act; and the said Commissioners for General Purposes, and the said Additional Commissioners acting in the Execution of this Act, and the said Assessors and Collectors to be appointed as herein mentioned, and the said Officers for Receipt and Inspectors and Surveyors respectively, shall be and they are hereby respectively empowered and required to do all Things necessary for putting this Act in execution, with relation to the said Duties hereby granted, in the like and in as full and ample a Manner as any Commissioners, Assessors, Collectors, Officers for Receipt, Surveyors, or Inspectors are authorized to put in execution the said Acts

relating to the said Duties of Assessed Taxes, or any Matter or Thing therein contained, as well with respect to all Acts, Matters, and Things to be done by, under, or before the said Additional Commissioners, or by, under, or before the Commissioners for General Purposes in their respective Districts or Departments, as by, under, and before the said Commissioners for Special Purposes.

XXXVIII. And be it enacted, That every Person appointed a Commissioner either for General or Special Purposes, Commissioners and others to take the Oaths in Schedule (F.). or an Additional Commissioner, or an Assessor or Collector, or a Clerk or Clerk's Assistant to the said respective Commissioners, and every Inspector, Surveyor, and Officer for Receipt, shall, before he shall begin to act in the Execution of this Act, so far as relates to the Duties contained in Schedule (D.), take the Oath prescribed by this Act, and contained in the Schedule marked (F.) applicable to such Officers respectively; which Oath any One of the Persons appointed a Commissioner, either for General or Special Purposes as aforesaid, or an Additional Commissioner, is hereby authorized to administer, (except that every such Oath so to be administered to any Commissioner for General or Special Purposes as aforesaid, or to an Additional Commissioner, shall be administered by a Commissioner for such General or Special Purposes, and not otherwise,) and which Oath so taken shall be subscribed by the Party taking the same; and if any Person shall act as a Commissioner in relation to the Duties in Schedule (D.), except in administering the Oath herein mentioned, or shall act as a Clerk or Clerk's Assistant, or an Assessor, Collector, Inspector, Surveyor, or Officer for Receipt, in relation to the Duties contained in the said Schedule (D.), before he shall have taken the Oath herein required to be taken by such Officer respectively, he shall forfeit the Sum of One hundred Pounds.

XXXIX. And be it enacted, That any Subject of Her Majesty whose ordinary Residence shall have been in Great Britain, and who shall have departed from Great Britain and gone into any Parts beyond the Seas, Temporary Absentees to be charged as Residents. for the Purpose only of occasional Residence, at the Time of the Execution of this Act, shall be deemed, notwithstanding such temporary Absence, a Person chargeable to the Duties granted by this Act as a Person actually residing in Great Britain, and shall be assessed and charged accordingly (in manner hereinafter directed) upon the whole Amount of his Profits or Gains, whether the same shall arise from Property in Great Britain or elsewhere, or from any Allowance, Annuity, or Stipend, (except as herein is excepted,) or from any Profession, Employment, Trade, or Vocation, in Great Britain or elsewhere: Provided always, that no Persons who shall on or after the passing of this Act actually be in Great

Temporary Residents to be charged after Six Months' Residence.

Britain for some temporary Purpose only, and not with any View or Intent of establishing his Residence therein, and who shall not actually have resided in Great Britain at one Time or several Times for a Period equal in the whole to Six Months in any One Year, shall be charged with the said Duties mentioned in Schedule (D.) as a Person residing in Great Britain, in respect of the Profits or Gains received from or out of any Possession in Ireland, or any other of Her Majesty's Dominions, or any Foreign Possessions, or from Securities in Ireland, or any other of Her Majesty's Dominions, or Foreign Securities; but nevertheless every such Person shall, after such Residence in Great Britain for such Space of Time as aforesaid, be chargeable to the said Duties for the Year commencing on the Sixth Day of April preceding:

Persons departing after claiming Exemption, and returning within the Year, to be charged.

Provided also, that any Person who shall depart from Great Britain after claiming such Exemption, and shall again return to Great Britain on or before the Fifth Day of April next after such Claim made, shall be chargeable to the said Duties as a Person residing in Great Britain for the whole of the Year in which such Claim shall have been made.

XL. And be it enacted, That all Bodies Politic, Corporate, or Collegiate, Companies, Fraternities, Fellowships, or Societies of Persons, whether Corporate or not Corporate, shall be chargeable with such and the like Duties as any Person will under and by virtue of this Act be chargeable with, and that the Chamberlain or other Officer acting as Treasurer, Auditor, or Receiver for the Time being of every such Corporation, Company, Fraternity, Fellowship, or Society shall be answerable for doing all such Acts, Matters, and Things as shall be required to be done by virtue of this Act, in order to the assessing such Bodies Corporate, Companies, Fraternities, Fellowships, or Societies to the Duties granted by this Act, and paying the same.

XLI. And be it enacted, That the Trustee, Guardian, Tutor, Curator, or Committee of any Person, being an Infant, or Married Woman, Lunatic, Idiot, or Insane and having the Direction, Control, or Management of the Property or Concern of such Infant, Married Woman, Lunatic, Idiot, or insane Person, whether such Infant, Married Woman, Lunatic, Idiot, or insane person shall reside in Great Britain or not, shall be chargeable to the said Duties in like Manner and to the same Amount as would be charged if such Infant were of full Age, or such Married Woman were sole, or such Lunatic, Idiot, or insane Person were capable of acting for himself; and any Person not resident in *Great Britain*, whether a Subject of Her Majesty or not, shall be chargeable in the

Trustees and Guardians of incapacitated Persons to be charged.
Non-residents to be charged in the Names of their Factors or Agents.

Name of such Trustee, Guardian, Tutor, Curator, or Committee, or of any Factor, Agent, or Receiver, having the Receipt of any Profits or Gains arising as therein mentioned, and belonging to such Persons, in the like Manner and to the like Amount as would be charged if such Person were resident in Great Britain, and in the actual Receipt thereof; and every such Trustee, Guardian, Tutor, Curator, Committee, Agent, or Receiver shall be answerable for the doing of all such Acts, Matters, and Things as shall be required to be done by virtue of this Act in order to the assessing of any such Person to the Duties granted by this Act, and paying the same.

XLII. Provided always, and be it enacted, That no Trustee who shall have authorized the Receipt of the Profits arising from Trust Property by the Person entitled thereunto, or by the Agent of such last-mentioned Person, and which Person shall actually receive the same under such Authority, nor any Agent or Receiver of any Person being of full Age, and resident in Great Britain, (other than a Married Woman, Lunatic, Idiot, and insane Person,) who shall return a List in the Manner herein-after required of the Name and Residence of such Person, shall be required to do any other Act for the Purpose of assessing such Person unless the Commissioners acting in the Execution of this Act in respect of the Assessment to be made on such Person shall require the Testimony of such Trustee, Agent, or Receiver in pursuance of the Powers and Authorities by this Act given.

XLIII. And be it enacted, That the Receiver appointed by the Court of Chancery, or by any other Court in Great Britain, having the Direction and Control of any Property in respect whereof a Duty is charged by this Act, whether the Title to such Property shall be uncertain or not, or subject to any Contingency or not, or be depending or be not ascertained by reason of any Dispute or other Cause, shall be chargeable to the said Duties in like Manner and to the like Amount as would be charged if the said Property was not under the Direction and Control of such Court, and the Title thereto was certain, and not subject to any Contingency whatever; and every such Receiver shall be answerable for doing all such Matters and Things as shall be required to be done by virtue of this Act, in order to the assessing of the Duties granted by this Act, and paying the same.

XLIV. And be it enacted, That where any Person being Trustee, Agent, Factor, or Receiver, Guardian, Tutor, Curator, or Committee of or for any Person, shall be assessed under this Act in respect of such Person, or where any Chamberlain, Treasurer,

Trustees or Agents of Persons of full Age, resident in Great Britain, not required to do more than deliver Lists of Names and Residences of such Persons.

Receivers of Trust Property appointed by the Court of Chancery or other Courts chargeable.

Trustees, Agents, Receivers, and Officers may retain the Duties charged upon them out of Trust Monies.

Clerk, or other Officer of any Corporation, Company, Fraternity, or Society shall be so assessed in respect of such Corporation, Company, Fraternity, or Society as aforesaid, it shall be lawful for every such Person, who shall be so assessed, by and out of the Money which shall come to his Hands as such Trustee, Agent, Factor, or Receiver, Guardian, Tutor, Committee, or Curator as aforesaid, or as such Chamberlain, Treasurer, Clerk, or other Officer, to retain so much and such Part thereof from Time to Time as shall be sufficient to pay such Assessment; and every such Trustee, Agent, Factor, or Receiver, Guardian, Tutor, Committee, or Curator, Chamberlain, Treasurer, Clerk, or other Officer, shall be and is hereby indemnified against every Person, Corporation, Company, Fraternity, or Society whatsoever, for all Payments which he shall make in pursuance and by virtue of this Act.

XLV. And be it enacted, That any Married Woman acting as a sole Trader by the Custom of any City or Place, or otherwise, or having or being entitled to any Property or Profits to her sole or separate Use, shall be chargeable to such and the like Duties, and in like Manner, except as herein-after is mentioned, as if she were actually sole and unmarried: Provided always, that the Profits of any Married Woman living with her Husband shall be deemed the Profits of the Husband, and the same shall be charged in the Name of the Husband and not in her Name, or of her Trustee: Provided also, that any Married Woman living in Great Britain separate from her Husband, whether such Husband shall be temporarily absent from her or from Great Britain, or otherwise, who shall receive any Allowance or Remittance from Property out of Great Britain, shall be charged as a Feme Sole if entitled thereto in her own Right, and as the Agent of the Husband if she receive the same from or through him, or from his Property or on his Credit.

XI.VI. And be it enacted, That for the ordering, raising, and levying the said Duties the respective Commissioners for General Purposes at the First Meeting to be held under this Act, or at a Meeting to be appointed for that Purpose, shall direct their Precepts to such Persons as shall have been appointed Assessors for the Execution of this Act, or in case no such Appointment shall have been made, then to the Assessors for the Land Tax or the Duties of Assessed Taxes in their respective Districts, requiring them to appear before the said Commissioners at such Time and Place as they shall appoint; and on the Appearance of such Assessors the said Commissioners shall administer to them the Oath required by this Act to be taken by them, and issue to them their Warrants of Appointment as Assessors in the Execution of

Commissioners to summon Assessors ;
to administer Oaths to them ;
and deliver to them their Instructions.

this Act, signed by such Commissioners, together with such Instructions
 Assessors to serve No-
 tices and Precepts. duly filled up as shall be necessary for carrying
 this Act into execution; and the said Assessors
 shall duly serve and deliver, in the respective
 Parishes or Places for which they may be appointed, as well the Notices
 herein-after particularly directed to be served by them, as also all other
 Notices and Precepts, by whomsoever signed, which are or may be directed
 or required to be given by or in pursuance of this Act; and the said
 Assessors shall duly verify the Service of all such Notices and Precepts.

XLVII. And be it enacted, That the Assessors to be appointed to
 Assessors to fix general
 Notices on Church Doors
 requiring Persons to deli-
 ver Lists. execute this Act shall, within the Time and in the
 Manner directed by the Precept of the Commis-
 sioners for General Purposes, cause general
 Notices to be affixed on or near to the Door of
 the Church or Chapel and Market House or Cross (if any) of the City,
 Town, Parish, or Place for which such Assessors act, and if such City, Town,
 Parish, or Place shall not have a Church or Chapel or Market House or
 Cross, then on the Church or Chapel nearest to such City, Town, Parish,
 or Place, requiring all Persons who are by this Act required to make out
 and deliver any List, Declaration, or Statement to make out and deliver
 to the respective Assessors or Commissioners, or to their Clerk, at their
 respective Office to be described in such Notice, and as therein directed,
 all such Lists, Declarations, and Statements accordingly, within such Time
 as shall be limited by such Precept, and which shall not in any Case be
 later than Twenty-one Days from the Date of such Precept; and such
 general Notices shall, when the same shall be affixed as aforesaid, be deemed
 sufficient Notice to all Persons resident in such City, Town, Parish, or
 Place, and the affixing of the same in manner aforesaid shall be deemed
 good Service of such Notice; and the said respective Assessors shall cause
 the said Notices to be from Time to Time replaced, if necessary, for the
 Space of Ten Days before the Time required for the Delivery of such
 Lists, Declarations, and Statements as aforesaid; and every Person wilfully
 tearing, defacing, or obliterating any such Notice so affixed shall forfeit
 any Sum not exceeding Twenty Pounds.

XLVIII. Provided always, and be it enacted, That the said Assessors
 Assessors to deliver
 Notices at the Houses of
 Persons chargeable, who
 are to deliver Statements. shall, within the Time directed by the Precept of
 the said Commissioners, give Notice to every
 Person chargeable to the said Duties in respect of
 any Property or Profits situate or arising within
 the Limits of the said Places where such Assessors shall act, or leave such
 Notice at his Dwelling House or Place of Residence, or on the Premises
 to be charged by such Assessment within such Limits, requiring every
 such Person to prepare and deliver, in manner directed by this Act, all

such Lists, Declarations, and Statements as they are respectively required to do by this Act, within such Time as shall be limited by such Precept; and if any Person residing within any Parish or Place at the time such general Notice as aforesaid shall be given, or to whom such Notice shall be personally given, or at whose Dwelling House or Place of Residence the same shall be left, or if any Person occupying any Property or engaged in any Concern within such Limits, on whom such Notice shall be served in manner aforesaid, or for whom such Notice shall be left on the Premises to be charged as aforesaid, after Notice thereof, shall refuse or neglect to make out such Lists, Declarations, or Statements as may be applicable to such Person, and as the Case may require, and deliver the same in manner directed by this Act, within the Time limited in such Notice, then such Commissioners shall forthwith issue a Summons under their Hands to such Person making default as aforesaid, in order that the Penalty for such Refusal or Neglect may be duly levied; and the said Commissioners shall moreover proceed to assess or cause to be assessed every Person making such Default in the Manner herein directed.

XLIX. And be it enacted, That every such List, Declaration, or Statement of the Profits to be charged as aforesaid shall be delivered to the Assessor of the same Parish or Place, except Statements containing the Amount of Profits chargeable under Schedule (D.) of this Act, in such Cases where the Commissioners acting for such Parish or Place shall have caused to be inserted in the Notice that an Office is opened for the Receipt of Statements of Profits, and a proper Person appointed to receive the same, and the Time and Place of Attendance, in which Cases the Delivery of such Statements to be charged under the said Schedule (D.) shall be made at such Office to the Person there appointed to receive the same: Provided always, that in Cases where the Parties to be charged under the said Schedule (D.) shall give Notice of their Desire to be assessed for the said Duties by the Commissioners for Special Purposes, such Statements of Profits chargeable under the said Schedule (D.) shall be delivered, together with such Notice, to such Assessor as aforesaid, to be by him transmitted to the Inspector or Surveyor of the District.

L. And be it enacted, That every Person, when required so to do by any Notice given in pursuance of this Act, shall, within the Period to be mentioned in such Notice, prepare and deliver to the Assessor of the Parish or Place where such Person shall reside a List in Writing, containing to the best of his Belief the proper Name of every Lodger or Inmate resident in his Dwelling House, and of other Persons chiefly employed in his Service, whether resident in such Dwelling House or not, and the Place of Residence of such of them as are not

Lists and Statements,
where to be delivered.

Persons to deliver in
Lists of the Names of
Lodgers, Inmates, and
others.

resident in such Dwelling House, and also of any such Lodger or Inmate who shall have any ordinary Place of Residence elsewhere at which he is entitled, under the Regulation of this Act, to be assessed, who shall be desirous of being so assessed at such Place of ordinary Residence, which Lists shall be signed by the respective Parties delivering the same, and shall severally be made out in such Form as shall be directed under the

Omission of Persons not resident in their Dwelling Houses, if exempted from Duty, not to subject to Penalty.

Authority of this Act: Provided always, that no Person required by this Act to deliver a List of Lodgers, Inmates, or other Persons aforesaid shall be liable to the Penalties herein-after mentioned or other of them, for any Omission of the Name or Residence of any Person in his Service or Employ, and not resident in his Dwelling House, if it shall appear to the Commissioners for executing this Act, on Inquiry before them, that such Person is entitled to be exempted from the Payment of all and every the Duties hereby granted.

LI. And be it enacted, That every Person who shall be in the Receipt of any Money or Value, or the Profits or Gains arising from any of the Sources mentioned in this Act, of or belonging to any other Person, in whatever Character the same shall be received, for which such other Person is chargeable under the Regulations of this Act, or would be so chargeable if he were resident in Great Britain, shall within the like Period prepare and deliver, in manner before directed, a List in Writing, in such Form as this Act requires, signed by him, containing a true and correct Statement of all such Money, Value, Profits, or Gains, and the Name and Place of Abode of every Person to whom the same shall belong, together with a Declaration whether such Person is of full Age, or a Married Woman living with her Husband, or a Married Woman for whose Payment of the Duty hereby charged on her the Husband is not accountable by this Act, or resident in Great Britain, or an Infant, Idiot, Lunatic, or insane Person, in order that such Person, according to a Statement, to be delivered as herein mentioned, may be charged either in the Name of the Person delivering such List, if the same shall be so chargeable, or in the Name of the Person to whom such Property shall belong, if of full Age, and resident in Great Britain, and the same be so chargeable by this Act; and every Person acting in such Character jointly with any other Person shall deliver a List of the Names and Places of Abode of every Person joined with him at the Time of delivering such List, and to the same Person to whom such List shall be delivered.

LII. And be it enacted, That every Person chargeable under this Act shall, when required so to do, whether by any general or particular Notice given in pursuance of this Act, within the Period to be mentioned in such Notice as aforesaid, prepare and deliver to the Person appointed to receive the same, and to whom the same ought to be delivered, a true and correct Statement in Writing, in such Form as this Act requires, and signed by the Person delivering the same, containing the annual Value of all Lands and Tenements in his Occupation, whether the same be situate in One or more Parish or Parishes, and the Amount of the Profits or Gains arising to such Person from all and every the Sources chargeable under this Act, according to the respective Schedules thereof, which amount shall be estimated for the period and according to the respective Rules contained in the respective Schedules of this Act; to which Statement shall be added a Declaration, that the same is estimated on all the Sources contained in the said several Schedules, describing the same, after setting against or deducting from such Profits or Gains such Sums, and no other, as are allowed by this Act; and every such Statement shall be made exclusive of the Profits and Gains accrued or accruing from Interest of Money, or other annual Payment arising out of the Property of any other Person, for which such other Person ought to be charged by virtue of this Act.

LIII. And be it enacted, That every Person who shall act in any Character as aforesaid for any other Person, who by reason of any such Incapacity as aforesaid, or by reason of his not being resident in Great Britain, cannot be personally charged by virtue of this Act, shall also, within the like Period, deliver to the Person appointed to receive the same under this Act, and to whom the same ought to be delivered, and in the same District in which the Person delivering such List ought to be charged on his own Account, a true and correct Statement in Writing, signed by him, and to be made in such Form as this Act requires, of the Amount of the Profits and Gains, to be charged on him on account of such other Person, estimated during the Period and according to the Rules contained in the said respective Schedules, together with such Declaration of the Manner of estimating the same as aforesaid: Provided always, that where two or more such Persons shall be liable to be charged for the same Person, One Return only shall be required, and such Return shall be made by them jointly, or by One or more of them on behalf of himself or themselves and the rest of the Persons so liable, and it shall be lawful for them to give Notice in Writing to the Commissioners acting in each District where they shall be called upon for such Statement, in what Parish or Place, or Parishes or Places, they are respectively chargeable by this Act on their own Account, and in which of the said Parishes

or Places they are desirous of being so charged on the Behalf of such other Person for whom they so act in any of the Characters before mentioned, and they shall be assessed accordingly by One Assessment in such Parish or Place, provided any One of such Persons shall be liable to be charged on his own Account in such Parish or Place; and if more than One Assessment shall be made on such Persons, or any of them, on the same Account, Relief shall be granted from such Double Assessment by like Applications to the Commissioners as are allowed in other Cases by this Act.

LIV. And be it enacted, That every such Officer before described of any Corporation, Fraternity, Fellowship, Company, or Society shall also, within in the like Period, prepare and deliver in like Form and Manner a true and correct Statement of the Profits and Gains to be charged on such Corporation, Fraternity, Fellowship, Company, or Society, computed according to the Directions of this Act, together with such Declaration of the Manner of estimating the same as aforesaid; and such Estimate shall be made on the Amount of the annual Profits and Gains of such Corporation, Fraternity, Fellowship, Company, or Society before any Dividend shall have been made thereof to any other Persons, Corporations or Companies having any Share, Right, or Title in or to such Profits or Gains; and all such other Persons, and Corporations, or Companies, shall allow out of such Dividends a proportionate Deduction in respect of the Duty so charged: Provided always, that nothing herein-before contained shall be construed to require in such Statement the Inclusion of Salaries, Wages, or Profits of any Officer of such Corporation, Fraternity, Fellowship, Company, or Society, otherwise chargeable under this Act: Provided also, that the Statements of the several Companies of the East India and South Sea shall be made exclusive of the Dividends and the Profits attached thereto, and to be divided amongst the Proprietors of the respective Stocks belonging to such Companies.

LV. And be it enacted, That if any Person who ought by this Act to deliver any List, Declaration, or Statement as aforesaid shall refuse or neglect so to do within the Time limited in such Notice, or shall under any Pretence wilfully delay the Delivery thereof, and if Information thereof shall be given, and the Proceedings thereupon shall be had, before the Commissioners acting in the Execution of this Act, every such Person shall forfeit any Sum not exceeding Twenty Pounds, and Treble the Duty at which such Person ought to be charged by virtue of this Act, such Penalty to be recovered as any Penalty contained in this Act is by Law

Officers of Corporations to prepare Statements of Profits and Gains to be charged, estimated on the annual Profits before Dividend made.

Proviso for Statements of East India and South Sea Companies.

Penalty on persons neglecting to deliver in Lists; if on Information before Commissioners, 20l. and Treble Duty;

recoverable, and the increased Duty to be added to the Assessment, but, nevertheless, subject to such Stay of Prosecution or other Proceedings by a subsequent Delivery of such List, Declaration, or Statement in the Case following: (that is to say,) if any Trustee, Agent, or Receiver, or other Person hereby required to deliver such List, Declaration, or Statement on behalf of any other Person, shall deliver an imperfect List, Declaration, or Statement, declaring himself unable to give a more perfect List, Declaration, or Statement, with the Reasons for such Inability, and the said Commissioners shall be satisfied therewith, the Said Trustee, Agent, or Receiver, or other Person as aforesaid, shall not be liable to such Penalty in case the Commissioners shall grant further Time for the Delivery thereof; and such Trustee, Agent, Receiver, or other Person shall, within the Time so Granted, deliver a List, Declaration, or Schedule, as perfect

as the Nature of the Case will enable him to prepare and deliver; and every Person who shall be prosecuted for any such Offence by Action or Information in any of Her Majesty's Courts, and who shall not have been assessed in Treble the Duty as aforesaid, shall forfeit the Sum of Fifty Pounds.

LVI. Provided always, and be it enacted, That no Person to or on whom the Assessor shall not have delivered or served a particular Notice as aforesaid shall be liable to the Penalties before mentioned, or either of them, for not delivering such Statement as before required, if it shall appear to the Commissioners for executing this Act, on Inquiry before them, that such Person is entitled to be exempted from the Payment of all and every the Duties hereby granted.

LVII. And be it enacted, That the Assessor shall make out an Alphabetical List, and deliver the same to the Inspector or Surveyor of the District, containing the Names of all Persons to or on whom such Notices have been delivered or served in pursuance of this Act, and the Names of all Persons having Property or Profits chargeable under this Act, within the Limits of such Assessor, distinguishing the Persons who have duly made their Returns, and the Persons who have omitted to make such Returns, and the Persons who have given Notice to be assessed by the Commissioners for Special Purposes, and also the Persons who shall have been returned as Lodgers or Inmates within such Limits, or as chargeable within but having a Residence out of such Limits; and if such Assessor shall have neglected to give Notice to any Person to whom the same ought to be delivered, the Inspector or Surveyor may at any Time afterwards cause such Notice to be delivered

to or served on such Person, and may also from Time to Time cause the like Notice to be delivered to or served on any Person coming to reside in any Parish or Place after the Expiration of such Notices.

LVIII. And be it enacted, That the Assessor for every Parish or Place shall personally appear before the said Commissioners at such Meeting as the said Assessor shall be appointed to attend, and shall then and there make Oath before the said Commissioners that the several Notices required to be delivered to Householders and Occupiers, and also to Lodgers and Inmates, by this Act, have been duly served in the Manner required by this Act, to the best of his Knowledge, and that general Notices to the Effect mentioned in this Act have been duly affixed, in the Manner hereby required, on such proper Places within the City, Town, or Place for which such Assessor shall act, as by this Act is required, and that the List delivered by him to the Inspector or Surveyor contains the Name of every Person to or on whom such Notices ought to be delivered or served according to the Directions of this Act, within the Knowledge of such Assessor; and every Assessor who shall neglect to appear before such Commissioners, or refuse to make such Oath, or who shall have omitted or neglected to return to such Inspector or Surveyor the Name of any Person whose Name ought to be included in any such List as by this Act is required, shall forfeit any Sum not exceeding Twenty Pounds.

Penalty, 20*l*.

LIX. And be it enacted, That the Clerks to the said respective Commissioners shall with all convenient Speed abstract the Returns of Statements delivered to such Commissioners by the Assessors, or at their Office by the respective Parties, into Books to be provided for that Purpose, and according to such Forms as shall be transmitted to them from the Head Office for Stamps and Taxes, such Abstracts to contain the Names of the Persons making such Returns, and the several Amounts of Profits returned by them respectively, to be laid before and delivered to the said Commissioners; and all such Returns shall be numbered and filed in the Office of the said Commissioners, and carefully kept so long as the Accounts of the said Duties for such District, or any Part thereof, shall remain unpaid to Her Majesty; to all which Books any Inspector or Surveyor who shall have taken the Oath herein prescribed before the Commissioners acting for the same Districts respectively shall have free Access at all seasonable Times, and shall take such Copies thereof, or of such Parts thereof or Extracts from the same, as he shall deem necessary in order to the due Execution of this Act.

Abstract to be made by the Clerks of Returns of Statements delivered to Commissioners.

Inspectors may have Access to and take Copies from Books containing such Abstracts.

LX. And be it enacted, That the Duties hereby granted and contained in the said Schedule marked (A) shall be assessed and charged under the following Rules, which Rules shall be deemed and construed to be a Part of this Act, and to refer to the said Duties, as if the same had been inserted under a special enactment.

SCHEDULE (A.).

No. I.—General Rule for estimating Lands, Tenements, Hereditaments, or Heritages mentioned in Schedule (A.).

The annual Value of Lands, Tenements, Hereditaments, or Heritages charged under Schedule (A.) shall be understood to be the Rent by the Year at which the same are let at Rack Rent, if the Amount of such Rent shall have been fixed by Agreement commencing within the Period of Seven Years preceding the Fifth Day of April next before the Time of making the Assessment, but if the same are not so let at Rack Rent, then at the Rack Rent at which the same are worth to be let by the Year; which Rule shall be construed to extend to all Lands, Tenements, and Hereditaments, or Heritages, capable of actual Occupation, of whatever Nature, and for whatever Purpose occupied or enjoyed, and of whatever Value, except the Properties mentioned in No. II and No. III of this Schedule.

No. II.—Rules for estimating the Lands, Tenements, Hereditaments, or Heritages herein mentioned which are not to be charged according to the preceding General Rule.

The annual Value of all the Properties herein-after described shall be understood to be the full amount for One Year, or the average Amount for One Year, of the Profits received therefrom within the respective Times herein limited:

Tithes in Kind. First.—Of all Tithes, if taken in Kind, on an Average of the Three preceding Years:

Ecclesiastical Dues. Second.—Of all Dues and Money Payments in right of the Church or by Endowment, or in lieu of Tithes (not being Tithes arising from Lands), and of all Teinds in Scotland, on the like Average:

Tithes compounded. Third.—Of all Tithes arising from Lands, if compounded for, and of all Rents and other Money Payments in lieu of Tithes arising from Lands (except Rent-charges confirmed under the Act passed for the Commutation of Tithes), on the Amount of such Composition, Rent, or Payment for One Year preceding:

The said Duty in each Case to be charged on the Person entitled to such Tithes or Payments, or his Lessee or Tenant, Agent or Factor, except in the Cases mentioned in the Fourth Rule of No. IV. of Schedule (A.):

Fourth.—Of Manors and other Royalties, including all Dues and other Services or other casual Profits, (not being Rents or other annual Payments reserved or charged) on an Average of the Seven preceding Years, to be charged on the Lord of such Manor or Royalty, or Person renting the same:

Manors.

Fifth.—Of all Fines received in consideration of any Demise of Lands or Tenement (not being Parcel of a Manor or Royalty demisable by the Custom thereof) on the Amount so received within the Year preceding by or on account of the Party; provided that in case the Party chargeable shall prove to the Satisfaction of the Commissioners for General Purposes in the District, that such Fines, or any Part thereof, have been applied as productive Capital, on which a Profit has arisen or will arise otherwise chargeable under this Act, for the Year in which the Assessment shall be made, it shall be lawful for the said Commissioners to discharge the Amount so applied for the Profits liable to Assessment under this Rule:

Fines.

Sixth.—Of all other Profits arising from Lands, Tenements, Hereditaments, or Heritages not in the actual Possession or Occupation of the Party to be charged, and not before enumerated, on a fair and just Average of such Number of Years as the said Commissioners shall, on the Statement of the Party to be charged, judge proper, (except such Profits as may be liable to Deduction in pursuance of the Ninth or Tenth Rule in Number IV. herein-after mentioned,) to be charged on the Receivers of such Profits, or the Persons entitled thereto.

Other Profits from Lands.

No. III.—*Rules for estimating the Lands, Tenements, Hereditaments, or Heritages herein-after mentioned which are not to be charged according to the preceding General Rule.*

Manner of charging certain other properties.

The annual Value of all the Properties herein-after described shall be understood to be the full Amount for One Year, or the Average Amount for One year, of the Profits received therefrom within the respective Times herein limited.

First.—Of Quarries of Stone, Slate, Limestone, or Chalk, on the Amount of Profits in the preceding Year:

Quarries.

Second.—Of Mines of Coal, Tin, Lead, Copper, Mundic, Iron and other Mines, on an Average of the Five preceding Years, subject to the Provisions concerning Mines contained in this Act:

Mines.

Third.—Of Iron Works, Gas Works, Salt Springs or Works, Alum Mines or Works, Waterworks, Steams of Water, Canals, Iron Works, &c. Inland Navigations, Docks, Drains, and Levels, Fishings, Rights of Markets and Fairs, Tolls, Railways and other Ways, Bridges, Ferries, and other concerns of the like Nature, from or arising out of any Lands, Tenements, Hereditaments, or Heritages, on the Profits of the Year preceding :

The Duty on each of the last Three Rules to be charged on the Person, Corporation, Company, or Society of Persons, whether Corporate or not Corporate, carrying on the Concern, or on their respective Agents, Treasurers or other Officers having the Direction or Management thereof, or being in the Receipt of the Profits thereof, on the Amount of the Produce or Value thereof, and before paying, rendering, or distributing the Produce or the Value, either between the different Persons or Members of the Corporation, Company, or Society engaged in the Concern, or to the Owner of the Soil or Property, or to any Creditor or other Person whatever having a Claim on or out of the said Profits; and all such Persons, Corporations, Companies, and Societies respectively shall allow out of such Produce or Value a proportionate Deduction of the Duty so charged, and the said Charge shall be made on the said Profits exclusively of any Lands used or occupied in or about the Concern :

The Computation of Duty arising in respect of any such Mine carried on by a Company of Adventurers shall be made and stated jointly in One Sum; provided that if any Adventurer shall declare his Proportion or Share in such Concern, in order to a separate Assessment, it shall be lawful to charge such Adventurer separately, and nothing herein contained shall be construed to restrain any Adventurer so separately assessed from deducting or setting against his Profits acquired in One or more of such Concerns his Loss sustained in any other of the said Concerns, over and above the Profits thereof, provided that such Loss shall not exceed the Proportion of such Adventurer which shall have been duly proved by the Company in their Computation of Duty, and shall have been allowed by the respective Commissioners, and in every such Case One Assessment only shall be made on the Balance of such Profit and Loss of the Adventurer so separating his Account in the Parish or Place where such Adventurer shall be chargeable to the greatest Amount, and the Amount of each Person's Share so proved and allowed shall be deducted from the general Assessment of the Company or Companies to which such Adventurer shall belong, and the respective Commissioners shall cause the Assessments on the said Companies to be rectified as the

Case may require; and the Certificate of the Commissioners making such separate Assessment shall be an Authority to the Commissioners acting in another District to cause the Assessments on the respective Companies to which such Assessment shall belong to be rectified; and in case such Loss shall arise in a different District than where such separate Assessment shall be to be made, the Certificate of the Commissioners acting for such other District of the Amount of such Loss, and the Proportion of such Adventurer therein, shall be Proof of the Deduction to be made by the Commissioners making such Assessment.

No. IV.—Rules and Regulations respecting the said Duties.

First.—All Properties chargeable to the Duties in Schedule (A.) shall be charged in the Parish or Place where the same are situate, and not elsewhere, except as hereinafter is excepted:

To be charged in the Parish :

Provided that the Profits arising from Canals, Inland Navigations, Streams of Water, Drains, or Levels, or from any Railways or other Roads or Ways of a public Nature, and belonging to or vested in any Company of Proprietors or Trustees, whether Corporate or not Corporate, may be stated in one Account, and charged in the City, Town, or Place at or nearest to the Place where the general Accounts of such Concern shall have been usually made up; and it shall be lawful for the said Proprietors or Trustees, having paid the Duties so chargeable, either to deduct a just Proportion thereof from the Interest payable to the Creditors of the said Properties, or any of them, or to pay such Interest in full, without making any such Deduction; and it shall be lawful for the said Creditors to receive such Interest in full, and they shall not be liable thereupon to the Penalty herein-after contained:

Except Canals Railways, &c., which are to be charged where the general Accounts are made up.

Duties may be deducted from Interest payable to Creditors.

Provided also, that the Profits arising from any Manor or Royalty which shall extend into different Parishes may be assessed in One Account in the Parish where the Court for such Manor or Royalty shall have been usually held: Provided also, that the Profits arising from all Fines received by the same Person, Body Politic or Corporate, or Company, may be assessed in One Account, where the Person to be charged under the Regulations of this Act shall reside:

Manors extending into different Parishes, and Fines, where to be charged.

Second.—All Lands occupied by the same Person shall be brought into every Account thereof required to be delivered by such Person under this Act, whether the same shall be occupied by such Person as Owner or Tenant, or as Tenant under distinct Owners, or

Lands in the same Occupation to be charged according to the Parishes.

shall be situate in the same or in different Parishes or Districts, but the Charge thereon shall be in each Parish or District in proportion to the

Proportions in each Parish, and belonging to distinct Owners, to be stated.

Value of the Property situate therein, of which Proportions the Occupier shall be required to deliver an Account in each Parish wherein any

Part of such Lands is situate, and a separate Estimate shall be given of Lands in the same Occupation belonging to distinct Owners; and if any Occupier of Lands situate in different Parishes or Places shall wilfully omit to deliver an Account of the Lands so occupied in each Parish or Place, although such Occupier may not reside in One or more of such Parishes or Places, he shall be charged for the Lands so omitted at Treble the Rate contained in this Act, over and above the Penalty herein imposed:

Provided always, that Lands held under the same Demise, or in the

Lands in different Parishes to be charged in either where the Proportions can not be ascertained.

Occupation of the same Person as Owner, although situate in different Parishes, but wholly in the same District of Commissioners, may be charged in either Parish at the Discretion of the said Commissioners, if they shall be satisfied that the Proportion in each Parish, either in respect of Quantity, Rent, or Value of the said Lands, cannot be ascertained; and if the said Lands extend into different Districts of Commissioners, then the Assessment shall be made in that District where the Occupier of such Lands doth reside:

Third—For any Dwelling House in Occupation of Tenant, which, with the

Houses under 10l. charged on Landlords.

Buildings or Offices belonging thereto and the Land occupied therewith, shall be under the annual Value of Ten Pounds, and for all Lands and

Tenements let to any Tenant for a less Period than One Year, the Assessment thereupon shall be made on the Landlord, but so as not to impeach the Remedy of Recovery of the Duty from the Occupier, in default of Payment by the Landlord:

Fourth.—For any Compositions, Rents, or other Payments in lieu of Tithes,

Tithes may be charged on Occupiers of Land.

the Assessment thereupon may, if the Commissioners think fit, be made on the respective Occupiers of the Lands from which such Tithes arise, or on

the respective Persons liable to the Payment of such Compositions, Rents, or other Payments; and the said Commissioners may direct Notices to be delivered to such Persons respectively, for the Purpose of obtaining Returns of the Value of such Compositions, Rents, and Payments, subject to the like Penalties and under the Regulations of this Act for Returns of the annual Value of Lands;

Fifth.—If any Mine, enumerated in the Fifth Rule, No. III., of this Schedule, has, from some unavoidable Cause, been decreased and is decreasing in the annual Value thereof, so that the Average of Five Years will not give a fair and just Estimate of the annual Value thereof, it shall be lawful, after due Proof before the Commissioners for General Purposes in the District where such Mine shall be situate, to compute such annual value on the actual Amount of such Profits and Gains in the preceding Year ending as aforesaid, subject to such Abatement on account of Diminution of Duty within the current Year as is herein provided in other Cases; and if any such Mine shall, from some unavoidable Cause, have wholly failed, it shall be lawful for the said Commissioners, on due Proof thereof, wholly to discharge any Assessment made thereon:

Provided always, that whenever any such Mine shall be situate, or the Mines to be charged where situate, or Produce manufactured. Produce thereof shall be manufactured, in any Place other than where the Produce thereof shall be sold, the Profits arising therefrom shall be assessed and charged in the Parish and District where the said Mine is situate, or where the Produce thereof is manufactured, and not elsewhere:

Sixth.—If in estimating the Value of any of the Properties enumerated in No. II. Or No. III. of this Schedule, as before mentioned, it shall appear that the Account required by the said Rules cannot be made out by reason of the Possession or Interest of the Party to be charged thereon having commenced within the Time for which the Account is directed to be made out, the Profits of One Year shall be estimated in proportion to the Profits received within the Time elapsed since the Commencement of such Possession or Interest:

Seventh.—The Duty to be charged under this Schedule, in respect of any House or Tenement occupied by any accredited Minister from any Foreign Prince or State, shall be charged and paid by the Landlord or Person immediately entitled to the Rent of the said House or Tenement:

Eighth.—The Duty to be charged in respect of any House, Tenement, or Apartment belonging to Her Majesty, in the Occupation of any Officer of Her Majesty, in right of his Office or otherwise, (except Apartments in Her Majesty's Royal Palaces,) shall be charged on and paid by the Occupier of such House, Tenement, or Apartment, upon the annual Value thereof:

Ninth.—The Occupier of any Lands, Tenements, Hereditaments, or Heritages, being Tenant of the same, and paying the said Duties, shall deduct so much thereof in respect of the Rent payable to the Landlord for the Time being (all Sums allowed by the Commissioners being first deducted) as a Rate of Seven-pence for every Twenty Shillings thereof would by a just Proportion amount unto, which Deduction shall be made out of the first Payment thereafter to be made on account of Rent; and the Receivers of Her Majesty, and all Landlords, both mediate and immediate, their respective Heirs, Executors, Administrators, and Assigns, according to their respective Interests, and their respective Receivers or Agents, shall allow such Deduction upon Receipt of the Residue of the Rent, under the Penalty herein contained; and the Tenant paying the said Assessment shall be acquitted and discharged of so much Money as if the same had actually been paid unto the Person to or for whom his Rent shall have been due and payable; and the Occupier of Lands charged on the Amount of any Composition, Rent, or Payment for Tithes arising therefrom, and paying the said Duties, shall be entitled to make the like Deduction from such Composition, Rent, or Payment, on paying the same:

Tenth.—Where any such Lands, Tenements, or Hereditament are subject or liable to the Payment of any Rent-charge, whether under the Act passed for the Commutation of Tithes, or otherwise, or any Annuity, Fee-farm Rent, Rent Service, Quit Rent, Feu Duty, Teind Duty, Stipends to licensed Curates, or other Rent or annual Payment thereupon reserved or charged, the Landlord, Owner or Proprietor by whom any Deduction shall have been allowed as aforesaid, and the Owner or Proprietor being also Occupier and charged to the said Duties, shall deduct and retain out of every such Rent-charge, Annuity, Fee-farm Rent, Rent service, Quit Rent, Feu Duty, Teind Duty, Stipend, or other Rent or annual Payment aforesaid, so much of the said Duties or Payments on account of the same, (the just Proportion of the Sums allowed by the Commissioners in the Cases authorized by this Act being first deducted,) as a like rate of Seven-pence for every Twenty Shillings on such Rent-charge, Annuity, Fee-farm Rent, Rent Service, Quit Rent, Feu Duty, Teined Duty, or Stipend, or other Rent or annual Payment aforesaid, respectively, shall by a just Proportion amount unto; and the Receivers of Her Majesty, and all Persons who shall be anyways entitled unto such Rents, Duties, Stipends, or annual Payments, their Receivers, Deputies, or Agents, are hereby required to allow such Deduction, upon the Receipt of the Residue of such Monies as shall be due and payable for such Rents, Duties, or annual Payments, without any Fee or Charge for such Allowance, and under the Penalty herein contained; and the Land-

lord, Owner, Proprietor, and Occupier respectively, being charged as aforesaid, or having allowed such Deduction, shall be acquitted and discharged of so much Money as if the same had actually been paid unto such Person to whom such Rent-charge, Annuity, Fee-farm Rent, Rent Service, Quit Rent, Feu Duty, Teind Duty, Stipend, or other Rent or annual Payment aforesaid, shall have been due and payable:

Eleventh.—Where any Mortgagee or Creditor in any Heritable Bond or Wadset shall be in the Possession of the Lands, Tenements, Hereditaments, or Heritages mortgaged or secured, such Mortgagee or Creditor shall be chargeable as Occupier when in the actual Occupation of the same, and when not in the actual Occupation of the same shall be liable to such Deduction as any other Landlord would be; and upon the Settlement of Accounts between such Mortgagee or other Creditor as aforesaid, and the Mortgagor or Debtor, the Duty payable in respect of the Amount of the Interest payable upon such Mortgage or other Debt as aforesaid shall be taken and allowed as so much Money received by such Mortgagee or other Creditor as aforesaid on account of such Interest:

Twelfth.—Where any Lands, Tenements, Hereditaments, or Heritages shall be occupied by the Owner at the Time the Assessment shall be made, who shall die before Payment of the Duty, the Heirs, Executors, Administrators, or Assigns, or other Person who on such Death may become entitled to the Rents and Profits thereof, shall be liable to the Payment of all Arrears of the said Duty due at the Time of such Death, and to all subsequent Instalments for that Year, according to their respective Interests, without any new Assessment:

Thirteenth.—Where any House shall be divided into distinct Properties, and occupied by distinct Owners or their respective Tenants, such Properties shall be charged distinct on the respective Occupiers:

Fourteenth.—No Deduction from the Estimate or Assessment on any Lands, Tenements, Hereditaments, or Heritages shall be allowed in any Case not authorized by this Act, nor unless an Account in Writings, signed by the Occupier thereof, or by the Party claiming such Deduction, stating the Nature and Amount thereof, shall have been delivered to the Assessor within the Time and pursuant to the Notice delivered by such Assessor; and if any such Deduction shall be made or allowed contrary to this Act, or without such Account in writing as aforesaid, it shall be lawful for the Surveyor or Inspector to surcharge the Assessment, and to charge therein a sum equal to the

Amount of Duty by which the Assessment shall have been diminished on Occasion of such Deduction, which Surcharge shall not be annulled or vacated under any Pretence whatever, but shall stand Part of the Assessment.

No. V.—Particular Deductions and Allowances in respect of the Deductions. Duties under Schedule (A.).

First.—For the Amount of the Tenths and First Fruits, Duties, and Fees on Presentations paid by any Ecclesiastical Person within the Year preceding that in which the Assessment shall be made:

Tenths, &c.

Second.—For Procurations and Synodals paid by Ecclesiastical Persons on an Average of Seven Years preceding that in which the Assessment shall be made:

Procurations, &c.

Third.—For Repairs of Collegiate Churches and Chapels, and Chancels of Churches, or of any College or Hall in any of the Universities of Great Britain, by any Ecclesiastical or Collegiate Body, Rector, Vicar, or other Person bound to repair the same, on an Average of Twenty-one Years preceding as aforesaid, or as nearly thereto as can be produced:

Repairs of Chancels.

Fourth.—For the Parochial Rates, Taxes, and Assessment charged upon or in respect of any Rent-charge confirmed under the Act passed for the Commutation of Tithes, on the Amount paid in the Year in which the Assessment shall be made.

Parochial Rates on
Rent-charge for
Tithes.

Fifth.—For the Amount of the Land Tax charged on Lands, Tenements, Hereditaments, or Heritages under the said Act passed in the Thirty-eighth Year of the Reign of King George the Third, where the Charge thereon shall not have been redeemed.

Land Tax.

Sixth.—For the Amount charged on Lands, Tenements, Hereditaments, or Heritages by a public Rate or Assessment in respect of draining, fencing, or embanking the same:

Drainage, &c.

In all which Cases there shall be allowed (unless such Payments, or any Part thereof, shall be made by a Tenant,) such Sum of Money as a like Rate of Seven-pence for every Twenty Shillings of the Sums paid would by a just Proportion amount unto; and the Sum so allowed shall be deducted from the Assessment to be made on the Property charged with such Payments, except in the Cases hereinafter otherwise provided for; (that is to say,)

Provided always, that the Allowances to be granted in pursuance of the First, Second, or Third Case may be granted to the Ecclesiastical or Collegiate Body, Rector, Vicar, or other Person aforesaid liable to the Charges therein mentioned, in One Sum, either by deducting the same from the Assessment upon him (if any), or by Certificate; provided that no Abatement or Deduction shall be made from any Assessment for the Allowances granted in pursuance of any of the Cases mentioned in this Rule in respect of any such Charges or Payments as aforesaid, payable out of any Rent-charge confirmed under the Act passed for the Commutation of Tithes, but such Allowances shall be granted by Certificate in the Manner herein-after directed.

LXI. And be it enacted, That the Person entitled to any of the Allowances mentioned in the next preceding Rule, which are directed or authorized to be made by Certificate, and which shall not have been made by Deduction or Abatement from the Assessment, shall claim such Allowance at any Time after the Expiration of the Year of Assessment, before the Commissioners for General Purposes of the District in which the Property charged with the Payments and Charges mentioned in the said Rule shall be situate; and the said Commissioners, upon due Proof before them that the Claimant is entitled to such Allowance, shall certify the Particulars and Amount thereof to the Commissioners for Special Purposes at the Head Office for Stamps and Taxes in England, and thereupon the said last-mentioned Commissioners shall grant an Order for the Payment of such Allowance, directed to the Receiver General of Stamps and Taxes, or to an Officer for Receipt or Collector of the Duties granted by this Act, or to a Distributor or Sub-Distributor of Stamps, as may be most convenient for the Party entitled to such Allowance, and such Receiver General or Officer as aforesaid is hereby required, on Production and Delivery to him of such Order, to pay the Amount of such Allowance to the Party entitled thereto out of any Money in the Hands of such Receiver General or Officer arising from any Duties placed under the Management of the Commissioners of Stamps and Taxes, taking the Receipt of the Party entitled to such Allowance for the same, by endorsement on such Order.

No. VI.—Allowances to be made in respect of the said Duties in Schedule (A.)

For the Duties charged on any College or Hall in any of the Universities of Great Britain, in respect of the public Buildings and offices belonging to such College or Hall, and not occupied by any individual Member thereof, or by any Person paying Rent for the same, and for the Repairs of the

Allowances for Colleges and Halls in Universities;

public Buildings and Offices of such College or Hall, and the Gardens, Walks, and Grounds for Recreation repaired and maintained by the Funds of such College or Hall:

Or on any Hospital, public School, or Almshouse, in respect of the public Buildings, Offices, and Premises belonging to such Hospital, public School, or Almshouse, and not occupied by any individual Officer or the Master thereof, whose whole Income, however arising, estimated according to the Rules and Directions of this Act, shall amount to or exceed One hundred and fifty Pounds per Annum, or by any Person paying Rent for the same, and for the Repairs of such Hospital, public School, or Almshouse, and Offices belonging thereto, and of the Gardens, Walks, and Grounds for the Sustenance or Recreation of the Hospitallers, Scholars, and Almsmen, repaired and maintained by the Funds of such Hospital, School, or Almshouse, or on any Building the Property of any Literary or Scientific Institution used solely for the Purposes of such Institution, and in which No Payment is made or demanded for any Instruction there afforded, by Lectures or otherwise; provided also, that the said Building be not occupied by any Officer of such Institution, nor by any Person paying Rent for the same:

The said Allowances to be granted by the Commissioners for General Purposes in their respective Districts:

Or on the Rents and Profits of Lands, Tenements, Hereditaments, or Heritages belonging to any Hospital, public School, or Almshouse, or vested in Trustees for charitable Purposes, so far as the same are applied to charitable Purposes:

The said last-mentioned Allowances to be granted on Proof before the Commissioners for Special Purposes of the due Application of the said Rents and Profits to charitable Purposes only, and in so far as the same shall be applied to charitable Purposes only:

The said last-mentioned Allowances to be claimed and proved by any Steward, Agent, or Factor acting for such School, Hospital, or Almshouse, or other Trust for charitable Purposes, or by any Trustee of the same, by Affidavit to be taken before any Commissioner for executing this Act in the District where such Person shall reside, stating the Amount of the Duties chargeable, and the Application thereof, and to be carried into effect by the Commissioners for Special Purposes, and according to the Powers vested in such Commissioners, without vacating, altering, or impeaching the Assessments on or in respect of such Properties; which Assessments shall be in force and levied notwithstanding such Allowances,

LXII. And be it enacted, That where any Allowance mentioned in Number VI. of the said Schedule (A.) shall be granted by the Commissioners for Special Purposes under the Authority of this Act, they shall give a Certificate thereof, together with an Order for Payment of the same, directed to the Receiver

Special Commissioners to certify Allowances granted under No. VI., Schedule (A.), and order Payment thereof.

General of Stamps and Taxes, or to an Officer for Receipt or Collector of the Duties granted by this Act, or to a Distributor of Sub-Distributor of Stamps in the Manner herein provided with respect to allowances to be granted under Number V of the said Schedule, and such Allowance shall in like Manner be paid to the Party entitled thereto.

LXIII. And be it enacted, That the Duties hereby granted, contained in the Schedule Marked (B.), shall be assessed and charged under the following Rules, which Rules shall be deemed and construed to be a Part of

Duties in Schedule (B.) and Rules deemed Part of the Act.

this Act, and to refer to the said last-mentioned Duties as if the same had been inserted under special Enactment.

SCHEDULE (B.)

No. VII.—Rules for assessing and charging the Properties under Schedule (B.)

The Duties last before mentioned shall be charged in addition to the Duties

To be charged in addition to Schedule (A.) on the same Properties, except for Dwelling Houses distinct from Farms, and for Buildings occupied for Trade or Professions.

to be charged under Schedule (A.) on all the Properties in this Act directed to be charged to the said Duties, according to the General Rule in Number I. Schedule (A.) before mentioned, on the full Amount of the annual Value thereof estimated as by this Act is directed (except a Dwelling House, and the domestic Offices, thereunto belonging, and which Dwelling House and Offices shall not be occupied, by virtue of one and the same Demise, with a Farm of Lands for the Purpose of farming such Lands, or with a Farm of Tithes for the Purpose of farming the same; and except Warehouses or other Buildings occupied for the Purpose of carrying on a Trade or Profession); provided that in all Cases where Lands are subject to a Rent-charge in lieu of Tithes under the Act passed for the Commutation of Tithes, and in all other Cases where Lands in

One Eighth to be deducted from Rent of Tithe-free Lands in England.

England are not subject to Tithes, or to any Modus or Composition Real in lieu thereof, there shall be deducted out of the Duties contained in this Schedule a Sum not exceeding One Eighth Part thereof; and in all Cases where such Lands are subject to a Modus or Composition

Real, and not subject to any Tithes there shall be deducted out of such Duties so much thereof as, together with the like Rate on such Modus or Composition Real, shall not exceed One Eighth Part of such Duties as aforesaid; and in all Cases where such Lands are subject to a Modus or Composition Real in lieu of certain specific Tithes, and also are subject to certain other specific Tithes, or where such Lands are free of certain specific Tithes, and are subject to certain other specific Tithes, the annual Value of such Lands shall, for the Purpose of charging the Duties under this Schedule, be estimated at the Rack Rent at which the same would let by the Year if wholly free from Tithes, and there shall be deducted therefrom the Amount or Value of One Eighth of the said Duties chargeable on the said Estimate, as in Cases of Tithe-free

Lessees and Occupiers of Tithes to pay Two-pence for every Twenty Shillings.

Lands: Provided also, that any Person being Lessee and Occupier of Tithes or Teinds taken in Kind, or being the Occupier of the Lands from whence such Tithes or Teinds shall arise, and compounding for the same, shall be charged in respect of the Occupation at the Rate of Two-pence for every Twenty Shillings of the annual Value thereof, estimated as aforesaid: Provided also, that the several Properties herein-after described in Number VIII, shall be assessed and charged in manner therein mentioned.

No. VIII.—Rules for estimating the Properties herein-after next mentioned under Schedule (B.).

The Profits arising from Lands occupied as Nurseries or Gardens for the Sale of the Produce, and Lands occupied for the Nurseries, Market Gardens, and Hop Growth of Hops, shall be estimated according to the Rules contained in Schedule (D.), and the Duty shall be charged at the Rate contained in the said Schedule; and when the said Duty shall have been so ascertained, the same shall be charged under Schedule (B.) as Profits arising from the Occupation of Lands, except where the Lands so occupied for the Growth of Hops shall be Part of a Farm held under One Demise, or by the same Person as Owner, and shall not exceed One Tenth Part of such Farm, in which Case the Duty thereon under this Schedule shall be charged together in One Sum as for a Farm by the said General Rule in Schedule (A.) mentioned.

No. IX.—Rules for charging the said Duties under Schedules (A.) and (B.).

First.—The said Duties, except where other Provisions are made as aforesaid for estimating particular Properties, shall be estimated according to the General Rule contained in Schedule (A.), and shall be charged on and

To be paid by the Occupier.

paid by the Occupier for the Time being, his Executors, Administrators, and Assigns :

Second.—Every Person having the Use of any Lands or Tenements shall be taken and considered, for the Purposes of this Act, as the Occupier of such Lands or Tenements:

Who shall be deemed Occupiers.

Third.—The said several Duties shall on each Assessment thereof be levied on the Occupier for the Time being without any new Assessment, notwithstanding any Change in the Occupation thereof; provided that every Tenant on quitting the Occupation shall be liable for the Arrears at the Time of so quitting, and for such further Portion of Time as shall then have

Assessment to be levied on the Occupier.

How paid on change of occupation.

elapsed, to be settled and levied by the respective Commissioners and repaid to the Occupier by whom the same shall have been paid; and the Executors or Administrators of any Tenant who shall die before the Payment of such Assessment shall be liable in like Manner as the Testator or intestate would have been if living: Provided also, that every Tenant quitting before the Time of making the Assessment shall be liable for such Portion of the Year as shall have elapsed at the Time of his so quitting to be adjusted and settled by the respective Commissioners.

No. X.—Rules for estimating the annual Value of Properties before described in Schedules (A.) and (B.) or either of them.

First.—Where any Landlord shall be subject to any Covenant or Agreement to pay or satisfy, out of the Rent reserved of any Lands or Tenements, any Parochial Rates, Taxes, or Assessments which by Law are a Charge on the Occupier, or any Composition for Tithes; or where any Rector, Vicar, or other Person entitled to any Rent or other annual Payment to be made in lieu of Tithes, (except a Rent-charge confirmed under the Act passed for the Commutation of Tithes,) or any Composition for Tithes, shall pay or satisfy out of the Amount thereof any such Parochial Rates, Taxes, or Assessments charged on such Tithes, Rent, Composition, or other annual Payment aforesaid, then and in every such Case the annual Value shall be estimated for the Purposes of this Act exclusive of such Rates, Taxes, or Assessments, and of such Composition for Tithes, to be computed on the Amount thereof *bonâ fide* paid by such Landlord or other Person aforesaid in and for the Year preceding the Year of Assessment; or where the Owner shall be also Occupier of such Lands or Tenements, and shall have paid any Parochial Rates, Taxes, or Assessments charged

Tenant's Rates and Taxes paid by Landlord to be deducted from the Rent.

on the same, or any Composition for Tithes thereon, then the said annual Value shall be also estimated exclusive of such Rates, Taxes, and Assessments and Composition for Tithes, to be computed in like Manner as aforesaid:

Second.—Where any Tenant of Lands or Tenements shall be subject to any Covenant or Agreement to pay or satisfy any Aids, Taxes, Rates, or Assessments by Law chargeable on or payable by the Landlord, the Amount thereof which shall have been *bonâ fide* paid by such Tenant in and for the Year preceding the Year of Assessment shall, in making the Estimate for the purpose of charging the Duty in respect of Occupation, be added to the Rent reserved, in case the same shall have been let within the Period of Seven preceding Years, and if not so let, the Estimate shall be made according to the general Rule in Schedule (A.), with the like Addition thereto of the Amount of such Payment.

Third.—Where the Amount of Rent of Lands or Tenements reserved in Money shall depend in the whole or in Part on the Price of Corn or Grain, the Estimate for the Purpose of charging the Duties in Schedule (A.) shall be made on the Amount payable according to the Average Prices or Fairs fixed in the Year preceding the Year appointed for Payment of the Duty, and in the same Manner by which such Rents have usually been ascertained between the Landlords and Tenants; but where the Whole or a Part of the Rent shall be reserved in Corn or Grain, then the said Estimate shall be made on the like Average Price or Fair computed on the Quantity of Corn or Grain delivered or to be delivered in the Year appointed for Payment of the Duty; or where such Computation cannot be made, the Estimate aforesaid may be made on the annual Value of such Lands estimated according to the said General Rule:

Fourth.—Where the Amount of Rent reserved on Lands or Tenements shall depend on the actual Produce thereof, either in respect of the Price or Quantity of such Produce, the Estimate for the Purpose of charging the Duties in Schedule (A.) shall be made on the Amount or Value of such Produce in the Year preceding the Year appointed for Payment of the Duty, according to the Prices fixed and according to the Quantity produced in that Year, by the same Rules and in the same Manner by which such Rents have usually been ascertained between the Proprietors and their Lessees or Tenants, and where the Prices or Fairs shall vary in the Two Years of Assessment, or the Amount of Produce shall vary

in those Years, the Assessment shall, on Appeal or Surcharge, be rectified accordingly.

Fifth.—Every Estimate of such Property in Scotland shall be made without reference to the Cess or Tax Roll or valued Rents heretofore used in Scotland, or any Stent thereon, and shall be made according to the General Rule contained in Schedule (A.) to the best of the Belief and Judgment of the Commissioners, Assessors, and others employed in charging the said several Duties.

In Scotland the Estimate to be made according to the General Rule in Schedule (A.).

Assessment of Lands and Tenements, on what Amount to be made by the Assessor.

LXIV. And be it enacted, That upon every Account of the annual Value of the several Properties aforesaid, to be charged under Schedules (A.) and (B.) delivered in manner before directed to the Assessor, he shall make an Assessment of the said Property on the Amount of the Sum ascertained by such Account, if he shall be satisfied with such Amount; but if he shall not be satisfied therewith, or if no such Account shall have been returned, or if the Occupier or other Person aforesaid shall not be resident within the Limits of the District of such Assessor, and no such Return shall have been made, then the said Assessor shall estimate, to the best of his Judgment, the annual Value of the said Property of which no sufficient Account shall have been delivered, and make an Assessment of the same accordingly; and in doing so it shall be lawful for such Assessor in every Case relating to Lands or Tenements to be estimated according to the said General Rule by the annual Value thereof, where such annual Value cannot be otherwise ascertained, and he is hereby required in every such Case, to make such Assessment according to the following Rules; (videlicet,)

Where the annual Value cannot be otherwise ascertained.

No. XI.

First.—Where the last Rate made for the Relief of the Poor in any Parish or Place shall be made throughout by a Pound Rate on the annual Value, as the same would be estimated according to Schedule (A.), the Assessment thereon to be made under this Act shall be made on the same Sums respectively as in such Rate:

To be made on the same Sums if rated to the Poor on full Value.

Second.—Where the said Rate shall be made throughout by such Pound Rate on any proportionate Part of the annual Value as aforesaid, the Proportion thereof shall be observed as in the said Rate, but the Assessment thereon to be made under this Act shall be made at the same Sums respectively as they would have been estimated at if the said Rate had been made on the full Amount of such annual Value:

To be increased to full Value if made on proportionate sums.

Third—Where Properties of different Kinds shall be rated in the said Rate according to different Proportions of the Value thereof as aforesaid, or shall be rated therein at different Rates of such Value, but nevertheless the Properties of the same Kind shall be rated in a due Proportion to each other, both as to the Value and Rate of Charge, in every such Case the Rule of rating Lands, both as to the Value and the Rate of Charge, shall, in making the Assessment under this Act, be observed throughout, as well with respect to such Lands as to the other Properties therein rated, so far as relates to such Rates as shall be made either on the full Value of the Properties or on any proportionate Part thereof :

If in different Proportions, the Rate for Lands to be the Guide throughout.

Fourth.—In all Cases not falling within the Three preceding Rules, but nevertheless where the Properties shall appear to the Assessor to be rated in the said Rate in the same Proportion to each other, though the Proportion of such Rate to the Value of the Property rated be not known, and the Assessor is able to ascertain the Rack Rent of all or any of the Properties which shall have been so let within the Period of Seven Years preceding within the Limits of the Parish or Place where the said Assessors shall act, he shall make an Estimate of such Properties on the Amount of such Rents respectively, and the Amount contained in the Estimates so made shall form the Basis on which the Estimates of other Properties, of which the Rack Rent shall not have been so ascertained, shall be made, and he shall make his Estimate of all other Property in a Sum bearing the same Proportion, as near as the same can be computed, to the Amount of such first Estimates as the Sums at which all such other Properties of which the Rent has been so ascertained are valued at in such Rate bear to the Sum charged in the said Rate on the said Properties first estimated; and he shall apportion the Sum so estimated on such other Properties in the same Proportion, as near as the same can be computed, as they are respectively rated at in such Rate, and shall make his Assessment under this Act accordingly; and in Cases where the same Rule of Proportion shall not have been observed in rating different Kinds of Property, then the Assessor shall make an Estimate as above directed upon each of such Kinds of Property for the Purpose of forming a Basis on which the Estimates of other Properties of the same Kind may be made.

LXV. Provided always, and be it enacted, That where any Dwelling House or Tenement, together with the Offices, Gardens, and Lands occupied therewith, or any Lands separately occupied, shall be under the annual Value of Ten Pounds, and the Assessor shall be able to estimate the said Value, either by the Rules before mentioned, or from his own

Assessor allowed to estimate Dwelling Houses, &c. Under 10l, without a Return.

Knowledge, or otherwise, it shall be lawful for him to estimate such Property accordingly, to the best of his Judgment, and to make an Assessment thereon, without requiring a Return of the annual Value as aforesaid, unless the Surveyor or Inspector shall object to such Estimate, and shall require a Notice for that Purpose to be delivered; and if any Assessor, not having given such Notice, shall neglect to estimate the true annual Value of the said Properties, and to assess the same according to this Act, he shall forfeit any Sum not exceeding Ten Pounds.

LXVI. And be it enacted, That in case any Tenant at Rack Rent shall produce to the Assessor the Lease or Agreement in Writing under which he immediately holds any Premises to be charged as aforesaid according to the General Rule, the Production of which Lease or Agreement every such Assessor is hereby authorized to demand whenever the same shall appear to him necessary, and in case it shall appear by such Lease or Agreement that the same Premises shall have been let within the Period of Seven preceding Years, and no other Consideration in Money than the Rent reserved shall be contained in such Lease or Agreement, it shall be lawful for such Assessor to make his Assessment according to such Rent, anything before

contained to the contrary notwithstanding; but such Assessment shall not be binding, in case it shall appear to the Commissioners that the said Lease or Agreement doth not express the full Consideration, whether in Money or Value, for the Demise, or the Rent *bona fide* paid for the same, or that the Rent reserved is less than the Rack Rent on Occasion of Repairs or Improvements done or to be done by the Lessee or Assigns, or is made in any other respect with Intent to conceal the annual Value of such Premises, or to diminish the Estimate to be made thereon, or hath been assigned to such Tenant, or any former Tenant, for any Consideration in Money or Value paid or agreed to be paid: Provided always, that regard shall be had to the Cases before mentioned, where the Amount of the reserved Rent shall be increased by reason of any Covenant or Agreement by the Landlord to discharge the Tenant's Taxes, Rates, Assessments, or Duties before mentioned, or where the same shall be decreased by reason of any Covenant or Agreement by the Tenant to discharge the Landlord's Taxes, Rates, or Assessments, or on Occasion of any Expences incurred or to be incurred by the Lessee or Assigns, whether mentioned or not mentioned in such Lease or Agreement, and to the Deductions to be made on account of any Aid or public Rate or Assessment before described:

Rules to be observed in assessing Land at reserved Rent, and for Improvement.

Provided also, that upon every Demise for Years of Lands made or to be made in consideration of a Rent reserved, and also in consideration of certain Improvements to be made in the Lands

demised at the Proper Cost and Charge of the Lessee or Tenant, if it shall be proved to the Satisfaction of the Commissioners for General Purposes acting for the Division where such Lands are situate that the Rent reserved hath been settled on the Estimate of the medium annual Value of the said Lands, computed on an Average for the whole Term granted in expectation of the progressive Improvement of the said Farm at the Cost and Charge of the said Lessee or Tenant, and the said annual Rent is fixed and made payable to the same Amount in each Year on the said Average, whereby the said Rent so estimated and made payable did or doth exceed the just annual Value of the said Lands as the same were or are worth to be let at Rack Rent at the Commencement of the Term granted by the said Demise, then and in such Case the Estimate of the annual Value of the said Lands, and the Assessment thereupon, shall be made and computed according to the following Rules; (that is to say,) in regard that the Rent reserved hath been settled on a fair Average of the annual Value of the said Lands, computed on the whole of the Term so granted, the said Commissioners, on due Proof of the Circumstances before mentioned, shall cause the said Duty payable in respect of the Property in the said Lands to be computed and charged on the Amount of the Rent so reserved and made payable as aforesaid, for each Year of Assessment, without variation, during the said Term, subject nevertheless to such Deductions as by this Act are allowed; and the said Commissioners shall also cause the said Duty payable in respect of the Occupation of the said Lands to be computed and charged on the full and just Value of the said Lands, to be ascertained at the Times and in manner hereinafter mentioned; (that is to say,) on all such Demises made before the passing of this Act, the annual Value of the said Lands shall be the Rack Rent at which the same are worth to be let by the Year, to be ascertained at the Commencement of the First Year of Assessment after the passing of this Act by a Valuation to be made thereof under the Powers and according to the Directions herein contained, and to the Satisfaction of the said Commissioners, which Valuation shall be in force for the Term limited for the Continuance of this Act, if the said Demise shall not sooner expire; and the Amount ascertained by such Valuation shall be deemed to be the Rack Rent at which the said Lands are worth to be let for the said Term, if the said Demise shall not sooner expire, and the Assessment thereupon shall in each Year of the said Term be made on the said Valuation; and on all such Demises to be made after the passing of this Act the annual Value of the said Lands shall be the Rack Rent at which the same are worth to be let by the Year, to be ascertained at the Commencement of the said Demise, by a like Valuation to be made thereof in manner aforesaid.

LXVII. And be it enacted, That in case any Tenant at Rack Rent

Tenants at Rack Rent under a parol Demise, or not able to procure Leases, to deliver an Account of the Value.

under any parol Demise from Year to Year, within the Period mentioned in the said General Rule, or any Tenant who, by reason of any Mortgage or other Contract, shall not have the Custody or Possession of or the Power over any Lease or Agreement in Writing under which he holds the Premises demised within the said Period, and who shall give reasonable Proof to the Commissioners why he is unable to produce the same, shall deliver to the Assessor an Account in Writing signed by such Tenant of the actual Amount of the annual Rent reserved on such Demise, such Account so delivered shall be deemed a Compliance with this Act, in all Cases where he may be called upon under the Authority of this Act to produce such Lease or Agreement; and it shall be lawful for such Assessor to make his Assessment according to such Rent, any thing before contained to the contrary notwithstanding; but such Assessment shall not be binding in case it shall appear to the said Commissioners that the said Account doth not express the full Consideration for such Demise, or the Rent *bonâ fide* paid for the same, or that the Rent reserved is less than the Rack Rent on Occasion of any Payments as aforesaid made or to be made by such Tenant, or is made in any other respect with Intent to conceal the annual Value of the Premises held under such Demise, or

Lands held under a Tenancy from Year to Year, or at Will, to be rated by Value, unless the Rent be fixed on a Demise within Seven Years.

to diminish the Assessment to be made thereon: Provided always, that Lands held for a longer Period than Seven Years by any Tenant under a Demise from Year to Year, or at Will, shall be estimated and assessed at the annual Value thereof, unless the Tenant shall show and prove to the Satisfaction of the said Commissioners that the same Lands are held under a Demise which commenced by Agreement made and a Rent fixed within the Period of Seven Years, on the Determination of the former Demise thereof, by due Notice within the said Period.

LXVIII. And be it enacted, That every Person who shall wilfully

Penalty on Tenants delivering false Accounts of the Value of the Premises, or concealing the true Value thereof.

deliver any such Account as aforesaid which shall be false, or who shall wilfully refuse, neglect, or omit to produce any Lease or Agreement with Intent to conceal the annual Value of the Premises therein comprised, or to diminish the Estimate to be made thereon, shall forfeit the Sum of Twenty Pounds, and shall be liable to be charged in Treble the Duty hereby directed to be charged as aforesaid, computed on the annual Value of the Premises held under such Demise, estimated according to this Act; and the Inspector and Surveyor are hereby respectively required to surcharge the same, and the Commissioners are required to make an Assessment accordingly.

LXIX. And be it enacted, That every Tenant of Lands, Tenements, or Heritages in *Scotland* shall, within Ten Days after the Assessor shall have left at his usual Place of Abode, or at any Dwelling House or other Place on the Premises to be charged with the Assessment, a Note in Writing requiring the same, produce to such Assessor the Tack or Lease or other Agreement or Articles in Writing, under which such Tenant holds such Lands or Tenements, or where the same shall not be in the Power, Custody, or Possession of such Tenant, or there shall be no such Tack, Lease, or Agreement or Articles, then he shall leave with such Assessor, or at his Dwelling House, within the Time before mentioned, a Note in Writing of the actual Rent annually reserved and payable, and of any other valuable Consideration given or to be given to the Landlord of such Lands and Tenements as a further Consideration for such Tenancy, under the Penalty of Treble the Duty hereby chargeable thereon, in case of any wilful Neglect to comply with such Notice; and it shall be lawful for such Assessor to make his Assessment on the Production of such Lease or Agreement or Articles, according to the Rent therein reserved and made payable; and in case of Non-production of such Lease or Agreement or Articles in Writing, then upon the Rent reserved or made payable, according to the Account thereof delivered as aforesaid, if he shall be satisfied that the said Lands, Tenements, or Heritages have been *bonâ fide* let at the reserved Rent notified to him as aforesaid, without other valuable Consideration; but in case such Assessor shall not be satisfied with the Notification given to him, or in case no such Notification shall be given, then such Assessor shall make the Assessment as directed in the foregoing Rules: Provided always, that if the Farm occupied by such Tenant shall be distant more than Ten Miles from the Dwelling House of such Assessor, it shall be competent to such Tenant to lodge his Lease or Note in Writing of the Rent with the nearest Justice of the Peace, or with the Clergyman of the Parish where the Farm is situated; and the said Justice of the Peace or Clergyman respectively shall be obliged to show the said Lease or Note of the Rent to the said Assessor when required.

LXX. And be it enacted, That the said several Duties shall be assessed on all Lands, Tenements, and Hereditaments, whether occupied at the Time of Assessment or not; and so far as respects the Duties chargeable under Schedule (A.), in case any Lands charged to the said Duties shall be unoccupied, and no Distress can be found on the same at the Time such Duties shall be payable, it shall be lawful for the Collector of the Parish or Place where the said Lands are situate for the Time being, at any Time after, to enter upon the said Lands when there shall be any Distress thereupon to be found, and the Distress to seize and sell,

under the like Powers as he might have distrained on the same Lands if in the Occupation of such Person at the Time the Assessments on Houses to be discharged for the Period they are unoccupied. Duties became due: Provided always, that the said Duties, or either of them, shall not be levied on any House which shall be or become unoccupied for such Year, or Portion of the Year, as the same shall be unoccupied, but the Assessment thereupon for such Year, or Portion of the Year, as aforesaid, shall, upon Appeal, be discharged or diminished by the Commissioners, on due Proof of the Time during which such House remained unoccupied.

LXXI. And be it enacted, That where by any Assessment the Duties shall be charged on Tithes or Teinds, and the same shall not be paid within the respective Times limited by this Act, it shall be lawful for the Collector and Officer respectively to distrain upon such Tithes or Teinds, or any other Goods or Chattels of the Owner of such Tithes or Teinds, wherever the same can be found, and to seize, take, and sell so much thereof as shall be sufficient for levying the said Assessment, under and subject to the like Powers granted by the said Acts relating to the Duties of Assessed Taxes in other Cases.

LXXII. And be it enacted, That when any Assessment shall be charged on any Composition for Tithes or Teinds, or any Rent or Payment in lieu thereof, the Occupier of the Lands and Premises charged with such Composition, Rent, or Payment shall be answerable for the Duties so charged, and may deduct the same out of the next Payment on account thereof; and where any Assessment shall be charged on the Profits of Manors or Royalties, or of Markets or Fairs, or on Tolls, Fisheries, or any other annual or casual Profits not distrainable the Owner or Occupier, or Receiver of the Profits thereof, shall be answerable for the Duties charged thereon, and may retain and deduct the same out of such Profits; and in every such Case the Collector shall distrain upon such Persons respectively by any of the Ways and Means prescribed by the said Acts relating to the Duties of Assessed Taxes.

LXXIII. Provided always, and be it enacted, That no Contract, Covenant, or Agreement between Landlord and Tenant, or any other Persons, touching the Payment of Taxes and Assessments to be charged on their respective Premises, shall be deemed or construed to extend to the Duties charged thereon under this Act, nor to be binding contrary to the Intent and Meaning of this Act; but that all Contracts between Landlords and Tenants or other Persons not to be binding contrary to this Act.

such Duties shall be charged upon and paid by the respective Occupiers, subject to such Deductions and Repayments as are by this Act authorized and allowed; and all such Deductions and Repayments shall be made and allowed accordingly, notwithstanding such Contracts, Covenants, or Agreements.

LXXIV. And be it enacted, That the respective Assessors shall make their Assessments on all Lands, Tenements, and Hereditaments, or Heritages, within the Limits of those Places for which they are to act, and shall set down therein the full and just annual Value

Assessors to make their Assessments, and deliver them with the Returns to the Commissioners.

of all such Lands and Premises estimated in each particular Case, according to the Directions of this Act, together with the Names and Surnames of the Occupiers and Proprietors thereof, and shall deliver the same, together with all Returns which shall have been made to them, as well of such annual value as of any Deduction claimed to be made therefrom, to the said Commissioners for General Purposes, such Returns, being first progressively numbered; and whenever the said

Assessors to apply to Commissioners and Surveyors for Instructions.

Assessors shall not be able to make their Assessments according to the Provisions of this Act, or shall be obstructed therein, it shall be lawful for

them to make Application to the said Commissioners, or to any Inspector or Surveyor, who shall severally instruct such Assessor in making his Assessments, and assist him in the Execution of this Act, according to the Powers and Authorities hereby vested in them respectively.

LXXV. And be it enacted, That the Assessors to be appointed for the said Duties in *England* shall, at the Time of bringing in their Assessment, if required so to do by any Surveyor or Inspector of the said Duties or by the respective Commissioners, give Notice to the Overseers of the Poor of the Parish or

Assessors, on bringing in their Assessments, shall, if required, give Notice to Overseers of the Poor to produce the rate Books.

Place where they shall act, to produce or cause to be produced to the said Commissioners the Book or Books, or a true Copy thereof, in which shall have been entered the Rates made for the Relief of the Poor of such Parish or Place and also a true Copy of the last Rate made for the Relief of the Poor in such Parish or Place, and such Overseers shall without fail produce such Book or Books to the said Commissioners, or deliver the same to the said Inspector or Surveyor, for their Use, and the said Assessors shall declare in Writing, signed by them, whether the said Rates are made on the full Value of the Properties therein, or on any and what proportionate Part thereof, to the best of their Knowledge and Belief;

Commissioners may examine Assessors and Overseers touching the making of the Assessments.

and the said Commissioners shall, in case the said Surveyor or Inspector shall allege and show to the Satisfaction of the said Commissioners that the said Assessments or any of them have not been

made according to the Directions of this Act, examine the said Assessors, and also the Overseers of the Poor for the same Parish or Place, or any of them, being duly summoned for that Purpose, on their Oaths, touching the Proportions between the said Rates and the Value of the Properties charged therein, and whether the Properties, or any and which of them, have been valued therein at the Amount or at any and what proportion of the annual Value thereof respectively, and what ought to be the just Proportion between the Rates on the different Properties therein charged, if the Amount of the Values thereof, and the same Proportion between the Rates, had been observed throughout the Rate, and also what Property shall have been omitted to be rated, and which of the Properties in the Parish or Place shall be entitled to be assessed on the Profits or on an Average of the Profits according to this Act; and the said Inspector or Surveyor shall carefully examine the Assessments made by the same Assessors with the last Rate made for the Relief of the Poor, in order that he may the better ascertain whether the said Assessments have been made on all the Properties situate in each Parish, and according to the Directions prescribed by this Act, and from the Result of the said Inquiries may rectify the same in any Particulars which in his Judgment may be requisite before the Commissioners allow and sign such Assessment as herein directed; and in so doing may puruse, if he think fit, the Rules in Number XI. of this Act before mentioned, relating to the said Rates for Relief of the Poor.

LXXVI. And be it enacted, That the several Commissioners, Inspectors, Surveyors, and Assessors acting respectively in the Execution of this Act, or any Person authorized by them respectively, shall have Liberty from time to time, and at all seasonable Times, to inspect and take Copies of or Extracts from any Book kept by any Parish Officer or other Person, of or concerning the Rates made for the Relief of the Poor, or any other public Taxes, Rates, or Assessments, in any Place within the Limits for which they shall be appointed, without the Payment of any Fee whatever; and if any Person in whose Custody or Power any of the said Books shall be shall refuse or neglect to permit the said Inspection, or the Copies or Extracts to be made as afore-said, or to attend the said Commissioners with any such Book when required so to do in pursuance of this Act, such Person so offending shall forfeit any Sum not exceeding Twenty Pounds nor less than Five Pounds.

LXXVII. And be it enacted, That it shall be lawful for the Assessors in each Parish or Place in Scotland, and they are hereby required, to take to their Assistance the Schoolmaster in such Parish or Place, for the Purpose of making such Assessments of the Lands and other Premises within their respective Limits; and at the Time of bringing in their Assessments they shall make Oath of the Truth of the same, and that such Assessments are made according to the best of their Skill and Judgment, and shall submit to be examined on Oath before the said Commissioners in all Matters and Things concerning the said Assessments which the said Commissioners shall require for their Information.

LXXVIII. And be it enacted, That in Cases where the Occupier or other Person chargeable shall, upon due Notice under this Act, omit to produce an Account in Writing as aforesaid of the Amount of the annual Value of the Property in his Occupation, estimated according to the General Rule in Schedule (A.), or such other Rules in the said Schedule as are applicable to such Property, or shall have delivered an Account with which the Commissioners shall be dissatisfied, the several Assessors, Inspectors, and Surveyors, having first obtained an Order in that Behalf, signed by the said Commissioners, and taking to their Assistance such Person or Persons of Skill as shall be named in such Order, shall, after Two Days' Notice to the Occupier, have full Power, at all seasonable Times in the Day time, to view and examine any Lands or other Property chargeable, in order to make a Survey thereof, or otherwise to ascertain the annual Value at which the same ought to be charged by virtue of this Act, and for so doing shall have Liberty to enter upon any Lands or Grounds, whether inclosed or not, and to value the same, and to measure and survey the same if they cannot otherwise ascertain the annual Value thereof.

LXXIX. And be it enacted, That within a reasonable Time after the respective Surveyors and Inspectors shall have had the Examination of the Assessments delivered by the Assessors, the Commissioners shall proceed to take the same into consideration, and in case the Surveyor or Inspector shall not have objected thereto, and the said Commissioners shall be satisfied that the said Assessments have been made truly and without Fraud, and so as to charge the several Properties contained therein with the full Duty which ought to be charged upon them respectively, the said Commissioners shall allow and sign such Assessments: Provided always, that in case the Surveyor or Inspector shall object to any such Assessment, and shall apply for a Revision thereof, suggesting in

Assessors in Scotland to be assisted by the Schoolmasters; and to be examined concerning their Assessments.

Assessors and other Officers to view and survey Lands by Order of the Commissioners.

Commissioners to allow and sign Assessments not objected to, and made to their Satisfaction.

On Objection taken, the Commissioners may rectify Assessments.

Writing to the Commissioners any Error, Mistake, or Fraud in making the same, it shall be lawful for the said Commissioners, according to the best of their Judgment, to rectify such Assessment, so that the Duty may be fully charged, according to the Intent and Meaning of this Act.

LXXX. And be it enacted, That so soon as the Assessments for any Parish or Place under Schedules (A.) and (B.) shall be allowed and signed as aforesaid the Commissioners shall cause Notice thereof and of the Day for hearing Appeals therefrom to be given in such Manner as they shall judge expedient, which Notice may be given either by delivering a Copy of such Assessment to the Assessor of such Parish or Place, for the Inspection of the Parties charged thereby, together with a public Notice of the Day of Appeal, to be affixed on or near to the Church Door or on any other public Place in the Parish, or by delivering to each Party charged the Amount of his Assessment, together with a Note of the Day of Appeal, and such Notices shall be made and given at least Fourteen Days before the Day of Appeal so fixed.

LXXXI. And be it enacted, That if upon Appeal any Dispute shall arise touching the annual Value of any Lands, Tenements, Hereditaments, or Heritages, and the Commissioners shall deem it necessary that a Valuation thereof should be taken and made by any Person of Skill, it shall be lawful for them to direct the Appellant to cause such Valuation to be made by any Person to be named by the said Commissioners, the Costs and Charges whereof shall abide the final Determination of the said Commissioners, and it shall be lawful for them to make an Assessment according to such Valuation, and to require the same to be verified on the Oath of the Person making the same; but in case the Appellant shall not proceed with Effect to cause such Valuation to be made as aforesaid, the said Commissioners shall make an Assessment according to the best of their Judgment: Provided always, that it shall be competent to the said Commissioners, in every such Case where the Valuation so made shall exceed the Value put upon the same Lands, Tenements, Hereditaments, or Heritages by the Appellant, to direct the Costs and Charges attending the same to be paid by him; but if they shall be of opinion that such Costs and Charges have not been incurred through any Default of the said Appellant, they shall direct the same to be paid by the Collector of the Parish or Place, who, on the Certificate of the Commissioners present at the Time of the Determination, shall pay the same, and the Sum so paid shall be allowed to such Collector in his Accounts with the proper Officer for Receipt, on delivering to him such Certificate, together with the Receipt and Voucher for such Payment.

LXXXII. Provided always, and be it enacted, That if on Appeal the

In case of Appeal, Occupier showing Lease, or if no Lease, proving his annual Rent, the Commissioners may reduce the Rate.

Occupier of any Premises held under a Demise at Rack Rent shall produce and show to the Commissioners the Lease, Tack, or Agreement in Writing, or shall prove by any lawful Evidence to be produced on his Part, in case there shall be

no such Lease, Tack, or Agreement in Writing, the annual Amount of the Rent at which such Premises are let, it shall be lawful for the said Commissioners, in case such Rent hath been fixed by Agreement commencing within the Period of Seven Years mentioned in the said General Rule, and they shall be satisfied that such Lease, Tack, or Agreement doth express the full Consideration for the Demise under which such Occupier shall hold the same, or that the Rent *bonâ fide* paid by such Occupier for the same hath been duly shown to them in Evidence, and that such Demise is made wholly in consideration of such reserved Rent, without any Intention to conceal or diminish the annual Value of such Premises, or other fraudulent Intention whatever, to abate and deduct from such Assessment so much as in their Judgment will reduce the Rate to a just Rate on such

Where Lands are assessed at less than the Value, the Assessment may be rectified.

Rent: Provided always, that if it shall appear to the said Commissioners that any Lands, Tenements, Hereditaments, or Heritages shall have been assessed at an annual Value less than the

actual Rent at which the same shall be let, or (if not let) at less than the Rent at which the same might be let, it shall be lawful for the said Commissioners to enlarge and increase such Assessment to such Sum as a like Rate on such Rent would amount unto, as well with respect to the Rate on the Property as the Rate on the Occupation of such Lands, Tenements, Hereditaments, or Heritages.

LXXXIII. And be it enacted, That whenever by any Flood or

Relief to be granted to Occupiers and Owners for Losses caused by Flood or Tempest.

Tempest Loss shall be sustained on the growing Crops, or on the Stock on Lands demised to a Tenant at a reserved Rent, without Fine or other Sum paid, given, or contracted for in lieu of a

reserved Rent, or any Part thereof, or the said Lands, or any Part thereof, shall by such Flood or Tempest be rendered incapable of Cultivation for any Year, and it shall be proved on Oath to the Satisfaction of the Commissioners for General Purposes acting for the Division where the said Lands are situate, that the Owner of the said Lands hath in consideration of such Loss abated or agreed to abate to his Tenant the Whole or any Proportion of the Rent reserved or payable by such Tenant for any Year of such Demise, it shall be lawful for the said Commissioners to abate in the Assessment made in respect of the Property in the said Lands for the same Year for which such Rent hath been abated, and to discharge therefrom the Whole or the like Proportion of Duty as the said Owner

shall appear on such Proof as aforesaid to have abated of or from the Rent reserved and made payable to him on such Demise; and it shall also be lawful for the said Commissioners in every such Case to abate in the Assessment made in respect of the Occupation of the said Lands for the same Year, and to discharge therefrom the like Proportion of Duty as shall have been abated or discharged from the Assessment made in respect of the Property on the said Lands for the Cause aforesaid.

LXXXIV. And be it enacted, That whenever from the Cause aforesaid the like Loss shall be sustained on the Lands of any Infant, Idiot, Lunatic, or other Proprietor incapable of consenting to any Abatement in the Rent as aforesaid, being in the Occupation of any such Tenant as aforesaid, and the same shall be proved on Oath before the said Commissioners to their Satisfaction, it shall be lawful for them to abate in the Assessment made in respect of the Occupation of the said Lands, and to discharge the Whole or any Part of the said Duty, and in proportion to the Loss so sustained, and to the Amount which the said Commissioners shall be of opinion would or ought to have been abated as aforesaid, if the said Lands had belonged to a Proprietor of full Age and of sound Mind, and capable of such Consent as aforesaid.

~~The like Relief extend-~~
~~ed to Occupiers and~~
~~Owners where the Owners~~
~~are incapable of consent-~~
~~ing to Abatement of Rent.~~

LXXXV. And be it enacted, That whenever from the Cause aforesaid the like Loss shall be sustained on Lands in the Occupation of the Owner, and the same shall be proved on Oath before the said Commissioners to their Satisfaction, it shall be lawful for them to abate in the several Assessments made in respect of the Property in or Occupation of the said Lands, and to discharge the Whole or any Part of the said respective Duties, and in proportion to the Loss so sustained, and to the Amount which the said Commissioners shall be of opinion would or ought to have been abated as aforesaid if the said Lands had been demised to a Tenant, and a proportionate Abatement had been made to such Tenant under the Circumstances of the said Loss.

Abatement of Assess-
ment in case of Losses
on Lands in the Occu-
pation of Owners.

LXXXVI. And be it enacted, That if any Person shall be guilty of making any false Claim for such Abatement as aforesaid, or shall be guilty of any Fraud or Contrivance in making such Claim, or in obtaining any such Abatement, or shall fraudulently or untruly declare the Amount or Value of such Loss, or the Amount or Value of any Abatement made or agreed to be made in the Rent of the Lands in his Occupation, on account of such Loss, with Intent fraudulently to obtain any such Abatement, he shall forfeit the Sum of Fifty Pounds, and Treble the Amount of Duty charged on him in respect of the said Lands; and if the Owner

Penalty for making
false claim for such
Abatement.

of any such Lands, or any other Person whatever, shall aid, abet, or assist any Person charged to the said Duties in making such false or fraudulent Claim, or shall fraudulently or untruly declare the Amount or Value of any Abatement made or agreed to be made in the Rent of the said Lands or the Amount of such Loss, with Intent fraudulently to obtain for himself, or for his Tenant, or for the Owner or Tenant of the said Lands, any such Abatement as aforesaid, every such Owner or other Person aforesaid shall forfeit the Sum of One hundred Pounds.

LXXXVII. And be it enacted, That the First Assessment to be made after the Fifth Day of April One thousand eight hundred and forty-two, of the Duties chargeable under either of the Schedules marked (A.) or (B.) of this Act, shall be and remain in force for the Space of Three Years, without requiring Returns from the Parties charged therein for the Second or Third Year of such Assessment, and without altering the Names of the Parties charged, notwithstanding a Change in the Occupation or Interest of or in the Premises charged in such Assessment may have happened; and the like Sums shall be levied thereon for the Second and Third Years respectively as shall or ought to have been levied thereon for the First Year, and the Assessment shall be subject to the Like Exemptions and Allowances for the Second and Third Years respectively as were granted for the First Year; and the Amount charged in such Assessment shall be paid by Four Instalments in each Year, on the Days and Times herein specified for Payment of such Instalments, subject nevertheless to be varied and altered in the following Cases; (videlicet,)

First.—If the Inspector or Surveyor shall find or discover that any Person hath been under-rated in such Assessment or omitted to be charged therein for the First Year, or hath obtained an Exemption or Allowance for the First Year which ought not to be allowed for the Second or Third Year, it shall be lawful for such Inspector or Surveyor to surcharge such Assessment for the Second or Third Year, in like Manner in all respects as he is authorized to surcharge the Assessment under the like Circumstances for the First Year of Assessment, provided that such Surcharge shall be made in the single Duty, and no Increase shall be made thereon above the Rate of Duty hereby granted, unless the Commissioners shall be of opinion that the Assessment for the First Year was, in the Particular surcharged, deficient through the wilful Default or Neglect of the Party to be charged:

unless the Party be under-rated or omitted, or have obtained an Exemption to which he is not entitled;

Second.—If any Person not chargeable in the First Year of Assessment shall become chargeable in the Second or Third Year it shall be lawful for the Assessor, Inspector, or Surveyor to require the like Returns, and to proceed to the Assessment of such Person in like Manner for the Second or Third Year, as if the whole Assessment of the Parish, Place, or District had commenced in that Year:

or a person not chargeable in the First Year become so subsequently;

Third.—If any Person shall find himself aggrieved by the Continuance of such Assessment for the Second or Third Year, or in case of Appeal. by occasion of his being over-rated therein, he may appeal from the same in that Year on delivering Ten Days' Notice of such his Intention to the Inspector or Surveyor, together with a true and perfect Schedule of the annual Value of the Property charged on him for that Year, in like Manner as he might have appealed against the same Assessment under the like Circumstances for the First Year, and no Payment on such Assessment for the First or Second Year shall be construed to preclude such Appeal; provided that for any vexatious Appeal without reasonable Cause It shall be lawful for the Commissioners to award reasonable Costs for the Attendance of the Inspector, Surveyor, or Assessor to be added to the Assessment and levied therewith for the Use of such Inspector, Surveyor, or Assessor, and which shall be paid to them respectively in like Manner as any other Payments under this Act may be made to them:

Fourth.—It shall be lawful for the respective Collectors to levy and gather the Assessment for the Second and Third Years respectively on the Occupiers for the Time being by the same Rate or Book which shall have been delivered to them for the First Year, unless the Commissioners shall revoke the Appointment of the said Collectors, or shall alter or vary the assessments, and deliver to them a new Rate or Book for the Second or Third Year:

Assessment may be collected in the Second and Third Year by the Book delivered for First Year.

Fifth.—The Duplicates of the Commissioners shall be made for each Year, and delivered to the proper Officer for Receipt and at the Head Office for Stamps and Taxes, containing the like Particulars for the Second and Third Years respectively as are herein required for the first Year of Assessment, varying only the Amounts therein to be specified if the Case shall require the same; and all the Powers, Regulations, Matters, and Things contained in this Act for rectifying any Assessment, or increasing or diminishing the Duty according to Circumstances, or for levying the same, shall be in force for the Second and Third Years respectively, in respect of the Sums to be levied in those respective Years, and shall be applied in those respective Years as fully

Commissioners Duplicates to be made for each year.

and effectually as if the Assessment had been made for those Years respectively under the Directions and Regulation of this Act.

LXXXVIII. And be it enacted, That the Duties hereby granted, contained in the Schedule marked (C.), shall be assessed and charged under the following Rules, which Rules shall be deemed and construed a Part of this Act, and to refer to the said last-mentioned Duties, as if the same had been inserted under a special Enactment.

SCHEDULE (C.).

Rules for assessing and charging the Duties under Schedule (C.).

The said last-mentioned Duties shall be paid by the Persons and Corporations respectively intrusted with the Payment of the Annuities, Dividends, and shares of Annuities, therein charged, on behalf of the Persons, Corporations, Companies, or Societies entitled thereto, their Executors, Administrators, Successors, or Assigns, and shall be assessed by the Commissioner hereby authorised or appointed for those purposes; and shall extend to all public Annuities whatever payable in Great Britain out of any public Revenue in Great Britain or elsewhere, and to all Annuities payable in Ireland out of the Revenue of the United Kingdom, to or for the Use or Benefit of any Person not resident in Ireland, and also to all Dividends and Shares of such Annuities respectively which shall become payable after the Fifth Day of April One thousand eight hundred and forty-two, except in the following Cases of Exemption from the said Duties; *viz.*

First.—The Stock, Dividends, or Interest of any Friendly Society legally established under any Act of Parliament relating to Friendly Societies; provided it shall appear by the Rules of any such Society deposited or to be deposited with the Commissioners for the Reduction of the National Debt, or with the Trustees of any Savings Bank, that the Sums assured by any such Society to any Individual, or to any Person nominated by or to claim under him, shall not exceed the Sum of two hundred Pounds, or the Amount of Any Annuity or Annuities granted or to be granted by any such Society to any Individual, or to any Person nominated by or to claim under him, shall not exceed the Sum of Thirty Pounds per Annum: Provided also, that when any Property belonging to any such Society shall be invested in the public Securities in the Bank of England, the said last-mentioned Property shall be duly claimed and proved by any Trustee or Treasurer of any such Society, or by any Member thereof, before the said Commissioners for Special Purposes:

Second.—The Stock or Dividends of any Savings Bank established or to be established under the Provisions of an Act passed in the Ninth Year of the Reign of King George the Fourth, intituled *An Act to consolidate and amend the Laws relating to Savings Banks*, arising from Investments with the Commissioners for the Reduction of the National Debt; and also the Dividends or Interest payable by the Trustees of any Savings Bank upon any Funds therein deposited belonging to any Depositor or to any charitable Institution:

Stock of Savings
Banks exempted.

Third.—The Stock or Dividends of any Corporation, Fraternity, or Society of Persons, or of any Trust established for charitable Purposes only; or which, according to the Rules or Regulations established by Act of Parliament, Charter, Decree, Deed of Trust, or Will, shall be applicable by the said Corporation, Fraternity or Society, or by any Trustee, to charitable Purposes only, and in so far as the same shall be applied to charitable Purposes only; or the Stock or Dividends in the Names of any Trustees applicable solely to the Repairs of any Cathedral, College, Church or Chapel, or any Building used solely for the Purpose of Divine Worship, and in so far as the same shall be applied to such Purposes, provided the Application thereof to such Purposes shall be duly proved before the said Commissioners for Special Purposes by any Agent or Factor on the Behalf of any such Corporation, Fraternity, or Society, or by any of the Members or Trustees:

Stock of charitable
Institutions exempt-
ed.

Fourth.—The Stock or Dividends transferred to the Accounts in the Books of the Bank of England in the Name or under the Description of the Lord High Treasurer of England or of the Commissioners of Her Majesty's Treasury, or the Commissioners for the Reduction of the National Debt, in pursuance of any Act or Acts of Parliament; provided that the Governor and Company of the Bank of England shall from Time to Time cause to be transmitted to the said Commissioners for Special Purposes an Account of the total Amount of Stock which shall have been transferred to the said respective Accounts, also the Payments to be made by the Commissioners for the Reduction of the National Debt on account of the Waterloo Subscription Funds:

Stock in the Name
of the Treasury or
of the Commissioners
for Reduction of the
National Debt.

Fifth.—The Stock or Dividends belonging to Her Majesty, in whatever Name the same may stand in the Books of the Bank of England, and also the Stocks or Dividends of any accredited Minister of any Foreign State resident in Great Britain, provided the Property thereof shall, if standing in the Name of any Trustee, be duly proved before the said Commissioners for Special Purposes by such Trustee.

Stock belonging to
Her Majesty, or to
accredited Ministers.

LXXXIX. And for the assessing and charging of the said Annuities

The Bank of England and South Sea Companies and the Commissioners of the National Debt to deliver Accounts of the Annuities payable to and by them respectively to the Commissioners for assessing the same.

payable to the Company of the Bank of England and to the South Sea Company respectively, at the Receipt of the Exchequer as aforesaid, and the Profits attached thereto respectively, and also for the assessing and charging of all Annuities payable by the Commissioners for Reduction of the National Debt, and the Dividends and shares of all other

Annuities, payable out of any public Revenue, which are or shall be intrusted for Payment to the Companies of the Bank of England and South Sea respectively; be it enacted, That the respective Companies, Corporations, and Commissioners having the Distribution or Payment of the said several Annuities, Dividends, and Shares shall from Time to Time, as often as the Payments thereon shall become due, deliver to the respective Commissioners, appointed for the Purpose of assessing the Duties thereon as aforesaid, true and faithful Accounts in Writing, in Books to be provided for the Purpose, of the several Amounts of such Annuities and Profits attached to the same, which shall be paid to the said Companies respectively, in respect of their Corporate Stock, and of such Dividends and Shares of Annuities as shall be intrusted to any of such Companies, Corporations, or Commissioners, for Payment to the Persons, Corporations, and Companies entitled thereto, and the Amount of Duty chargeable thereon at the Rate before directed, without Deduction on any Pretence whatever, except as herein is allowed, distinguishing therein the separate Account of each Person, Corporation, Company, and Society entitled unto any Part, Dividend, or Share of such Annuities respectively, as the same shall stand in the Books of the said respective Companies, or at the said Exchequer, in such Manner as that the Part, Dividend, and Share of each Person, Corporation, Company, and Society, of or to such Annuities respectively, may be distinctly charged and assessed to the said Duty; and the said respective Commissioners shall from Time to Time make an Assessment of the Duty which shall appear to be chargeable on the Accounts so delivered to the best of their Judgment and Belief, and shall from Time to Time deliver the said Books of Assessments, signed by them respectively, to the said Commissioners for Special Purposes; and the said Commissioners for Special Purposes shall forthwith cause Two Certificates on Parchment to be made out, under their Hands and Seals, containing total Amounts of Duty, and of the Annuities, Dividends, and Shares whereon the said Duty shall have been charged contained in each Assessment, together with the proper Title or Description of the Corporation, Company, or Persons having the Distribution or intrusted with the Payment of such Annuities, Dividends, and Shares respectively; and they shall transmit one of such Certificates to the respective Commissioners for making such Assessments, and the other Certificate to the Head Office for Stamps and Taxes in England.

XC. And for the assessing and charging of the Annuities, Dividends,

Persons receiving Annuities or Dividends payable at the Bank of Ireland on behalf of non-residents to deliver a Declaration.

and Shares of Annuities payable by the Governor and Company of the Bank of Ireland out of the public Revenue of the United Kingdom to Persons not resident in Ireland, be it enacted, That in every

Case in which Payment of any such Annuities, Dividends, and Shares of Annuities as last aforesaid shall be demanded or applied for by any Attorney, Agent, Trustee, or other Person for or on the Behalf or for the Use or Benefit of any Person not resident in Ireland, the Person demanding or applying for the Payment of such Annuities, Dividends, or Shares of Annuities, before receiving the same, shall (whether he shall be required to do so by the said Governor and Directors of the said Bank or not) deliver to the Cashier of the said Bank a Declaration, signed by such Applicant, containing a Statement of the Amount and Description of the Stock in respect of which such Annuities, Dividends, or Shares are payable, and the Name and Place of Abode of every Person for whom, or on whose Behalf, or for whose Use or Benefit, such Applicant requires the Payment thereof, and declaring whether or not such last-mentioned Person was resident in Ireland, within the Intent and Meaning of this Act, at the Time when such Annuities, Dividends, and Shares respec-

Bank to require a Declaration where Annuities, &c. or Dividends are receivable under a Power of Attorney.

tively became payable; and in every Case in which Payment of any such Annuities, Dividends, or Shares of Annuities shall be demanded or applied for by any Person for or on the Behalf of any other Person, under or by virtue of any Letter or

Power of Attorney, or other delegated Authority, the said Governor and Directors, or the Cashier or other Officer of the said Bank, having the Payment of any such Annuities, Dividends, or Shares of Annuities, shall, before paying the same, require such Declaration and Statement to be made

and delivered as herein-before directed; and if the Person demanding or applying for such Payment shall refuse to make or sign and deliver such

On Refusal, Parties entitled to Annuities to be deemed not resident in Ireland.

Declaration and Statement on being required to make and deliver the same as aforesaid, the Person for whom or on whose Behalf he shall demand or apply for such Payment shall be deemed to be not resident in Ireland, and such Annuities, Dividends, or Shares of Annuities shall be charged accordingly with the Duties granted by this Act:

Proviso.

Provided always, that no Person (other than a Member of either House of Parliament entitled

to be exempted from the Duties of Assessed Taxes under the Provisions in that Behalf contained in the Acts relating to the said last-mentioned Duties) shall be deemed to be resident in Ireland, within the Intent and Meaning of this Act, who shall have been absent from Ireland, at one Time or several Times, for a Period equal in the whole to six Months or more during the

Space of One Year immediately preceding the Day on which such Annuities, Dividends, and shares shall respectively have become payable.

XCI. And be it enacted, That whenever it shall appear by any such Declaration or Statement as aforesaid that any Such Annuities, Dividends, or Shares of Annuities are payable by the said Governor and Company of the Bank of Ireland, to or for the Use or Benefit of any Person not resident in Ireland, and also whenever any Person applying for Payment of any such Annuities, Dividends, or Shares of Annuities, shall refuse to make or sign and deliver such Declaration and Statement, on being required to make and deliver the same as aforesaid, the Commissioners hereinbefore appointed for that Purpose shall assess and charge the Duties hereby granted upon and in respect of all such Annuities, Dividends, and Shares of Annuities, and shall make out and transmit their Certificates of such Assessments in like Manner as is herein-before provided with respect to the Assessments to be made by the Commissioners appointed for assessing and charging the Duties on Annuities payable out of the Revenue of the United Kingdom in England; and in all other Cases where any such Annuities, Dividends, or Shares of annuities shall be payable by the said Governor and Company to or for the Use or Benefit of any Person not resident in Ireland, but which shall not be assessed and charged by the said Commissioners in the Manner herein-before directed, by reason of the Fact of such Non-residence not having been made to appear to them in manner aforesaid, such Annuities, Dividends, and Shares which have been received or become payable in the preceding Year shall be accounted for in Great Britain by the Person entitled thereto, or beneficially interested therein, and shall be charged and assessed under the Rules and Regulations of Schedule (D.) of this Act, whether the same shall be received in Great Britain or not.

XCII. And be it enacted, That if any Person shall receive of the Governor and Company of the Bank of Ireland any Annuity, Dividend, or Share of Annuity payable out of the public Revenue of the United Kingdom, for or on the Behalf of or for the Use or Benefit of any Person not resident in Ireland, without previously delivering to the Cashier of the said Bank the Declaration and Statement by this Act directed to be delivered in such Case, or if any Person shall make, sign, or deliver any Declaration or Statement which shall not truly set forth the Name and Place of Residence of the Person, and of every Person for whom, or on whose Behalf, or for whose Use or Benefit, he shall apply for Payment of any such Annuity, Dividend, or Share of Annuity as aforesaid, the Person who shall neglect or omit to deliver such Declaration and Statement as aforesaid, or who shall make,

Commissioners to make Assessments of Duties on Annuities and Dividends payable at the Bank of Ireland to Persons not resident in Ireland.

Penalty for omitting to make a Declaration on receiving Annuities or Dividends in Ireland on behalf of Persons not resident there.

sign or deliver any untrue Declaration or Statement, shall be liable to the Payment to Her Majesty of Treble the Amount of the Duty chargeable on

Penalty for fraudulent Declaration or Device to evade the Duty.

such Annuity, Dividend, or Share of Annuity; and if any Person shall wilfully and fraudulently omit to deliver such Declaration and Statement, or shall wilfully make, sign, or deliver any false Declaration or Statement, or shall make or practise any fraudulent Contrivance or Device whatever, with Intent to defraud Her Majesty of the Duty chargeable under this Act on any such Annuity, Dividend, or Share of Annuity as aforesaid, he shall forfeit the Sum of One hundred Pounds, over and above Treble the Amount of the said Duty.

XCIII. And be it enacted, That the respective Corporations, Com-

panies to set apart and retain Sums assessed.

panies, and Persons entitled unto such Annuities and Profits attached thereto, or intrusted with the Payment of the Annuities, Dividends, or Shares of such public Annuities as are herein-before described, shall, on Notice of the Amount each Assessment from Time to Time to be made as aforesaid (which Notice shall be given from Time to Time, as and when the Annuities, Dividends and Shares aforesaid shall become payable, and before Payment thereof), set apart and retain the Amount of Duty so assessed for the Purposes of this Act; and every such setting apart and retaining of the said Duties shall be deemed a Payment thereof by and on the Behalf of the Persons, Corporations, and Companies entitled unto the said Annuities, Dividends, and Shares respectively; and all Persons, Corporations, and Companies entitled to such Annuities or Profits attached thereto or to any Part thereof, or to such Dividends or Shares of Annuities as aforesaid, are hereby required, on Receipt of the Residue of the said Annuities, Profits, Dividends and Shares, over and above the Duty so assessed, to allow such Payments in respect of the said Assessments; and the Corporations and Persons having the Distribution of such Annuities, or intrusted with such Payments, shall be and are hereby acquitted and discharged of so much Money, as if the same had actually been paid unto the Persons to whom such Annuities, Profits, Dividends, and Shares did or might belong, or were by Law Payable.

XCIV. And be it enacted, That all Monies so set apart at the Bank

Monies set apart to be paid into the Bank.

of England, the Bank of Ireland, and the South Sea House respectively, and by the Commissioners for the Reduction of the National Debt, as before directed, shall be paid from Time to Time into the Account to be kept at the Bank of England with the Receiver General of Stamps and Taxes, as hereinafter directed, accompanied with a Certificate of the Amount of the Assessment under which the same shall be so paid, under the Hands of Two or more of the Commissioners making such Assessment; and the Governor and Company of the Bank of England shall also

cause the Amount of such Assessment as shall from Time to Time be charged on the Trading Profits of the said Company to be paid into the said Account.

XCV. Provided always, and be it enacted, That in respect of any of the Annuities, Dividends, and Shares of Annuities, chargeable under Schedule (C.) by the respective Commissioners for those Purposes, it shall not be required of them to make an Assessment for any Amount or Payment, where the half-yearly Payment on such Annuities, Dividends or Shares shall not amount to Fifty Shillings, but that the Annuities, Dividends and Shares whereof the half-yearly Payment shall not amount to Fifty Shillings shall be accounted for and charged under the Third Case of Schedule (D.) by which Profits of an uncertain annual Value are directed to be charged: Provided also, that no Person shall be required to return any Statement of the Profits of such Annuities, Dividends or Shares, the half-yearly Payment whereof shall amount to Fifty Shillings or more, and which are herein-before directed to be assessed in manner aforesaid, or be liable to any Penalty for not returning the same, but all such Dividends and Shares whereof the half-yearly Payment shall not amount to Fifty Shillings, and which shall be paid without such Assessment, shall be duly returned in the Manner before directed, under the Penalty before contained.

XCVI. And be it enacted, That every Person (other than the Governor and Company of the Bank of England, the Directors of the East India Company, and the Commissioners for the Reduction of the National Debt,) intrusted with the Payment of Annuities, or any Dividends or Shares of Annuities, payable out of the public Revenue of any Colony or Settlement belonging to the Crown of the United Kingdom, to any Persons, Corporations, or Companies in Great Britain, or acting therein as Agent, or in any other Character before described, shall, without further Notice or Demand thereof, deliver or cause to be delivered into the Head Office for Stamps and Taxes in England an account in Writing containing their Names and Residences, and a Description of the Annuities, Dividends, and Shares intrusted to them for Payment, within One Calendar Month after the same shall have been required by public Notice in the London Gazette, and shall also, on Demand by the Inspector authorized for that Purpose by the Commissioners of Stamps and Taxes, deliver or cause to be delivered to him, for the Use of the said Commissioners for special Purposes, true and perfect Accounts of the Amount of Annuities, Dividends, and Shares payable by them respectively; and the said Commissioners for Special Purpose shall make an Assessment thereon under Schedule (C.) at the Rate before prescribed, subject to Diminution on occasion of any Exemptions to be allowed by

How small Dividends shall be charged.

Persons intrusted with the Payment of Colonial Annuities shall deliver Accounts thereof.

Commissioners for special Purposes to make assessments thereon.

the said Commissioners for Special Purposes, giving Notice of the Amount thereof to the respective Persons intrusted with such last-mentioned Payments, who shall respectively pay the Duty on the said Annuities, Dividends, and Shares, on behalf of the Persons, Corporations and Companies entitled unto the same, out of the Monies in their Hands; and they shall be acquitted of such Payments in like Manner, and the like Proceedings in all respects shall be had under the said Commissioners for Special Purposes, as are before directed in respect of Annuities payable out of the public Revenue of the United Kingdom: Provided always, that the Persons intrusted with such Payment shall from Time to Time pay the Duty so assessed thereon into the Bank of England, to the Account to be kept at the Bank of England as aforesaid with the Receiver General of Stamps and Taxes, and shall be answerable for such Payment, and which Duty so assessed shall, in default of such Payment, be recoverable against the Persons respectively intrusted with such Payments as other Duties charged on the Parties may be recovered against them; and if any Person intrusted with the Payment of any such last-mentioned Annuities, or any Dividends or Shares thereof, in the Manner herein mentioned, or acting therein as Agent, or in any other Character herein described, shall neglect or refuse to deliver an Account of his Name and Residence in the Manner herein directed, or, after Demand, shall neglect or refuse to deliver an Account was as aforesaid of the Amount of such Annuities, Dividends, and shares as he is intrusted with the Payment of, or in the Payment of which he shall act as Agent, or in any other Character herein described, he shall forfeit the Sum of One hundred Pounds, over and above the Duty chargeable on such Annuities, Shares, or Dividends.

XCVII. And be it enacted, That any Interest payable out of the public Revenue on Securities issued or to be issued at the Exchequer or other public Office, by whatever Names such Securities shall be called, shall be charged to the said Duties under the Rules contained in Schedule (C.) by the Commissioners for assessing the profits of Offices in the said Exchequer or other Office aforesaid at which the same shall be made payable, and the Interest payable by the East India Company on the Bonds issued or to be issued by them shall be charged to the said Duties under the like Rules by the Commissioners herein-before appointed for that Purpose, which said Commissioners respectively shall execute this Act, in relation to the Profits arising from such Securities and Bonds as aforesaid, in like Manner as the Commissioners appointed by this Act are empowered to assess the Profits arising from Annuities payable out of the public Revenue in other Cases; and the said Commissioners respectively hereby authorized to execute this Act in relation to such Securities and Bonds as aforesaid shall appoint Assessors and Collectors of the said Duties arising from such Securities and Bonds from and amongst the

Officers intrusted with the Payment or Discharge of such Securities and Bonds, who shall respectively at the Time of Payment or Discharge thereof compute the Duty thereon, and after such Computation shall enter the same in a Certificate of Assessment, and certify the same to the proper Officer appointed for the Payment or Discharge of such Securities and Bonds, which Officer is hereby empowered to stop and detain the said Duty, and to pay the same into the Bank of England to the Credit of the Receiver General of Stamps and Taxes, in discharge of such Assessment; and every Person receiving or purchasing any such Security or Bond in circulation, with current Interest thereon, shall be entitled and is hereby empowered to deduct from such Interest the Proportion of Duty which will become chargeable thereon, in like Manner and under the like Powers and Penalties as may be done in other Cases of Payment of Interest, and as if such current were then due and charged to the said Duty; and the like Computation and Assessment shall be made whenever a new Security or Bond shall be issued in discharge of any former Security or Bond, with Interest, or in discharge of Interest due on any former Security or Bond; and the Person receiving such new Security or Bond in exchange for any former Security or Bond, with Interest, or for such Interest, shall pay to the proper Officer at the Time of receiving such new Security or Bond the full Duty computed on the Interest payable on the said former Security or Bond.

XCVIII. Provided always, and be it enacted, That all Claims of Exemption to be made to the Commissioners for Special Purposes according to following Rules. Exemption under any of the Rules contained in Schedule (C.) from the said Duties on Annuities, Dividends and Shares of Annuities, payable out of the Revenue of the United Kingdom, shall be made to the Commissioners for Special Purposes at the Head Office for Stamps and Taxes in England, according to the following Rules; videlicet,

First.—Every Claim shall be made in Writing, in such Form as the Commissioners of Stamps and Taxes shall direct, and the said Commissioners for Special Purposes shall require the same to be verified on the Affidavit of every such Person as they shall think necessary, such Affidavit to be made as before directed in all Cases cognizable before the said Commissioners, and they shall have Authority to demand and require, from every such Person as they shall think proper to be examined touching such Claim, true Answers upon Oath, to be made as before directed, to all such Questions as they shall think material in such Claim:

Second.—Whenever the Commissioners for Special Purposes shall have allowed any such Exemption, they shall give an Order for Payment of the Sums retained for the Duties on such Annuities, Dividends and Shares, in respect of which they shall have allowed such Exemption, to the respective Claimants, or to the Attornies or Agents who shall have been authorized to receive the said Annuities, Dividends and Shares, on behalf of the said Claimants; and such Payment shall be made in

like Manner as is herein-before provided with respect to Allowances to be granted under Number V. of Schedule (A.) of this Act.

XCIX. And be it enacted, That if any Person shall, with Intent to defraud Her Majesty, falsely or fraudulently make any Claim to be exempted, either in his own Behalf or any other from the Duty charged on such Annuities, or any Dividends or Shares thereof, contrary to the Intent of this Act, every such Person shall forfeit the sum of One hundred Pounds, and if such Claim shall be made by any Person in his own Behalf he shall moreover be liable to be assessed in Treble the Duty to be charged on the said Annuities and Shares.

C. And be it enacted, That the Duties hereby granted, contained in the Schedule marked (D.), shall be assessed and charged under the following Rules, which Rules shall be deemed and construed to be a Part of this Act, and to refer to the said last-mentioned Duties, as if the same had been inserted under a special Enactment.

SCHEDULE (D.).

The said last-mentioned Duties shall extend to every Description of Property or Profits which shall not be contained in either of the said Schedules (A.), (B.), or (C.), and to every Description of Employment of Profit

not contained in Schedule (E.), and not specially exempted from the said respective Duties, and shall be charged annually on and paid by the Persons, Bodies Politic or Corporate, Fraternities, Fellowships, Companies or Societies, whether Corporate or not Corporate, receiving or entitled unto the same, their Executors, Administrators, Successors, and Assigns respectively.

Rules for ascertaining the said last-mentioned Duties in the particular

Cases herein mentioned.
Rules for ascertaining the Duties.

First Case.—Duties to be charged in respect of any Trade, Manufacture, Adventure, or Concern in the Nature of Trade, not contained in any other Schedule of this Act.

RULES.

First.—The duty to be charged in respect thereof shall be computed on a Sum not less than the full Amount of the Balance of the Profits or Gains of such trade, Manufacture, Adventure, or Concern upon a fair and just Average of Three Years, ending on such Day of the Year immediately preceding the Year of Assessment on which the

Computation of Duty on Trade.

Accounts of the said Trade, Manufacture, Adventure, or Concern shall have been usually made up, or on the Fifth Day of April preceding the Year of Assessment, and shall be assessed, charged, and paid without other Deduction than is hereinafter allowed: Provided always, that in Cases where the Trade, Manufacture, Adventure, or Concern shall have been set up and commenced within the said Period of Three Years, the Computation shall be made for One Year on the Average of the Balance of the Profits and Gains from the Period of first setting up the same: Provided also, that in Cases where the Trade, Manufacture, Adventure, or Concern shall have been set up and commenced within the Year of Assessment, the Computation shall be made according to the Rule in the Sixth Case of this Schedule:

Second.—The said Duty shall extend to every Person, Body Politic or Corporate, Fraternity, Fellowship, Company, or Society, and to every Art, Mystery, Adventure, or Concern carried on by them respectively, in Great Britain or elsewhere, as aforesaid; except always such Adventures or Concerns on or about Lands, Tenements, Hereditaments, or Heritages as are mentioned in Schedule (A.), and directed to be therein charged.

Third.—In estimating the Balance of Profits and Gains chargeable under Schedule (D.), or for the Purpose of assessing the Duty thereon, no Sum shall be set against or deducted from, or allowed to be set against or deducted from, such Profits or Gains, on account of any Sum expended for Repairs of Premises occupied for the Purpose of such Trade, Manufacture, Adventure, or Concern, nor for any Sum expended for the Supply or Repairs or Alterations of any Implements, Utensils, or Articles employed for the Purpose of such Trade, Manufacture, Adventure, or Concern, beyond the Sum usually expended for such Purposes according to an Average of Three Years preceding the Year in which such Assessment shall be made; nor on account of Loss not connected with or arising out of such Trade, Manufacture, Adventure, or Concern; nor on account of any Capital withdrawn therefrom; nor for any Sum employed or intended to be employed as Capital in such Trade, Manufacture, Adventure, or Concern; nor for any Capital employed in Improvement of Premises occupied for the Purposes of such Trade, Manufacture, Adventure, or Concern; nor on account or under Pretence of any Interest which might have been made on such Sums if laid out at Interest; nor for any Debts, except bad Debts proved to be such to the Satisfaction of the Commissioners respectively; nor for any average Loss beyond the actual Amount of Loss after Adjustment; nor for any Sum recoverable under an Insurance or Contract of Indemnity:

Fourth.—In estimating the Amount of the Profits and Gains arising as aforesaid no deduction shall be made on account of any annual Interest, or any Annuity or other annual Payment, payable out of such Profits or Gains.

Second Case.—The Duty to be charged in respect of Professions, Employments, or Vocations, not contained in any other Schedule of this Act.

RULES.

First.—The said Duty on Employments shall be construed to extend to every Employment by Retainer in any Character whatever, whether such Retainer shall be annual, or for a longer or shorter Period; and to all Profits and Earnings of whatever Value, subject only to such Exemptions as are herein-after granted:

Second.—The Duty to be charged shall be computed at a Sum not less than the full Amount of the Balance of the Profits, Gains, and Emoluments of such Professions, Employments, or Vocations (after making such Deductions, and no other, as by this Act are allowed), within the preceding Year, ending as in the First Case, to be paid on the actual Amount of such Profits or Gains, without any Deduction, subject to the like Provisions as are made in the First Case in respect of the Period of Average, in the Cases of setting up and commencing such Profession, Employment, or Vocation within the Period herein limited:

Third.—The Third and Fourth Rules in the first Case shall also extend to the Profits arising under the Second Case, as far as they are applicable.

Rules applying to both the preceding Cases.

First.—In estimating the Balance of the Profits or Gains to be charged according to either of the First or Second Cases, no Sum shall be set against or deducted from, or allowed to be set against or deducted from such Profits or Gains, for any Disbursements or Expences whatever, not being Money wholly and exclusively laid out or expended for the Purposes of such Trade, Manufacture, Adventure, or Concern, or of such Profession, Employment, or Vocation; nor for any Disbursements or Expences of Maintenance of the Parties, their Families or Establishments; nor for the Rent or Value of any Dwelling House or domestic Offices, or any Part of such Dwelling House or domestic Offices, except such Part thereof as may be used for the Purposes of such Trade or Concern, not exceeding the Proportion of the said Rent or Value herein-after mentioned; nor for any Sum expended

in any other domestic or private Purposes, distinct from the Purposes of such Trade, Manufacture, Adventure, or Concern, or of such Profession, Employment or Vocation:

Second.—The Computation of the Duty to be charged in respect of any

<p>Duty on Trade to be computed exclusive of the Profits of Lands.</p>	<p>Trade, Manufacture, Adventure, or Concern, or any Profession, whether carried on by any Person singly or by any One or more Persons jointly, or by any Corporation, Company, Fraternity, or Society, shall be made exclusive of the Profits or Gains arising from Lands, Tenements, or Hereditaments occupied for the Purpose of such Profession, Trade, Manufacture, Adventure or Concern:</p>
--	--

Third.—The Computation of Duty arising in respect of any Trade, Manu-

<p>Duty on Trade carried on by Two or more Persons, how to be charged.</p>	<p>facture, Adventure, or Concern, or any Profession, carried on by Two or more Persons jointly, shall be made and stated jointly and in one Sum, and separately and distinctly from any other Duty</p>
--	---

chargeable on the same Persons, or either or any of them; and the Return of the Partner who shall be first named in the Deed, Instrument, or other Agreement of Copartnership (or where there shall be no such Deed, Instrument, or Agreement, then of the Partner who shall be named singly, or with Precedence to the other Partner or Partners, in the usual Name, Stile, or Firm of such Co-partnership, or, where such precedent Partner shall not be an acting Partner, then of the precedent acting Partner,) and who shall be resident in Great Britain, (and who is hereby required, under the Penalty herein contained for Default in making any Return required by this Act, to make such Return on behalf of himself and the other Partner or Partners whose Names and Residences shall also be declared in such Return,) shall be sufficient Authority to charge such Partners jointly: Provided always, that where no such Partner shall be resident in Great Britain, then the Statement shall be prepared and delivered by their Agent, Manager, or Factor resident in Great Britain, jointly for such Partners, and such joint Assessment shall be made in the Partnership Name, Stile, Firm, or Description; and no separate Statement shall be allowed in any Case of Partnership, except for the Purpose of the Partners separately claiming an Exemption as herein directed, or of accounting for separate Concerns; provided that if any Partner being entitled to Exemption shall declare the Proportion of his Share in such Partnership, Trade, Profession, or Concern, in order to a separate Assessment for the above Purpose, it shall be lawful to charge such Partner separately; but if no such Claim be made, then such Assessment shall be made jointly, according to the Amount of the Profits and Gains of such Partnership: Provided also, that any joint Partner in such Trade, Profession, or Concern, which shall have been already returned by such precedent Partner as aforesaid, may return his Name

and Place of Abode, and that he is such Partner, without returning the Amount of Duty payable in respect thereof, unless the Commissioners respectively shall think proper to require a further Return, in which Case it shall be lawful for such Commissioners to require from every such Partner the like Return, and the like Information and Evidence, as they are hereby entitled to require from the precedent Partner:

Fourth.—If amongst any Persons engaged in any Trade, Manufacture,

<p>In case of Change of Partners the Duty to be charged on the Profits antecedent to the Change.</p>	<p>Adventure, or Concern, or in any Profession, in Partnership together, any Change shall take place in any such Partnership, either by Death, or Dissolution of Partnership as to all or any of the Partners, or by admitting any other Partner therein, before the Time of making the Assessment, or within the Period for which the Assessment ought to be made under this Act, or if any Person shall have succeeded to any Trade, Manufacture, Adventure, or Concern, or any Profession, within such respective Periods as aforesaid, the Duty payable in respect of such Partnership, or any of such Partners, or any Person succeeding to such Profession, Trade, Manufacture, Adventure, or Concern, shall be computed and ascertained according to the Profits and Gains of such Business derived during the respective periods herein mentioned, notwithstanding such Change therein or Succession to such Business as aforesaid, unless such Partners, or such Person succeeding to such Business as aforesaid, shall prove, to the Satisfaction of the respective Commissioners, that the Profits and Gains of such Business have fallen short or will fall short from some specific Cause, to be alleged to them, since such Change or Succession took place, or by reason thereof:</p>
--	--

Fifth.—Every Statement of Profits to be charged under this Schedule shall

<p>Duties to be charged in One Division, except where the same Person is engaged in different Concerns in Trade in divers Places.</p>	<p>include every Source so chargeable on the Person delivering the same on his own Account, or on account of any other Person, and every Person shall be chargeable in respect of the whole of such</p>
---	---

Duties in one and the same Division, and by the same Commissioners, (except in Cases where the same Person shall be engaged in different Partnerships, or the same Person shall be engaged in different Concerns relating to Trade or Manufacture in divers Places, in each of which Cases a Separate Assessment shall be made in respect of each concern at the Place where such Concern if singly carried on ought to be charged as herein directed,) and every such Statement on the Behalf of any other Person for which such Person shall be chargeable as acting in any of the Characters before described, or on the Behalf of any Corporation, Fellowship, Fraternity, Company, or Society, shall include every Source chargeable as last aforesaid, and shall be delivered in that Division where such Person, Corporation, Fellowship, Fraternity, Company, or Society would be chargeable if acting on his or their own Behalf,

Third Case.—The Duty to be charged in respect of Profits of an uncertain annual Value not charged in Schedule (A.).

First.—The Duty to be charged in respect thereof shall be computed at a Sum not less than the full Amount of the Profits or Gains arising therefrom within the preceding Year, ending as in the First Case, to be paid on the actual Amount of such Profits or Gains, without any Deduction:

Computation of Duty
on uncertain Profits.

Second.—The Profits on all Securities bearing Interest payable out of the public Revenue (except Securities before directed to be charged under the Rules of Schedule (C.), and on all Discounts, and on all Interest of Money, not being annual Interest, payable or paid by any Person whatever, shall be charged according to the preceding Rule in this Case:

On Interest, not being
annual.

Third.—Whenever the Commissioners shall, on Examination, find that any Lands occupied by a Dealer in Cattle, or by a Dealer in or Seller of Milk, (which Lands shall have been estimated and charged on the Rent or annual Value,) are not sufficient for the Keep and Sustenance of the Cattle brought on the said Lands, so that the Rent or annual Value of the said Lands cannot afford a just Estimate of the Profits of such Dealer, it shall be lawful for the said Commissioners to require a Return of such Profits, and to charge such further Sum thereon as, together with the Charge in respect of the Occupation of the said Lands, shall make up the full Sum wherewith such Trader ought to be charged in respect of the like Amount of Profits charged according to the First Rule in this Case.

On Dealers in Cattle
and Sellers of Milk.

Fourth Case.—The Duty to be charged in respect of Interest arising from Securities in Ireland, or in the British Plantations in America, or in any other of Her Majesty's Dominions out of Great Britain, and Foreign Securities except such Annuities, Dividends, and Shares as are directed to be charged under Schedule (C.) of this Act.

Computation of Duty
from Securities in
Ireland, in the Colo-
nies, &c. and Foreign
Securities.

The Duty to be charged in respect thereof shall be computed on a sum not less than the full Amount of the Sums (so far as the same can be computed) which have been or will be received in Great Britain in the current Year, without any Deduction or Abatement.

Fifth Case.—The Duty to be charged in respect of Possessions in Ireland, or in the British Plantations in America, or in any other of Her Majesty's Dominions out of Great Britain, and Foreign Possessions.

Computation of
Duty from Posses-
sions in Ireland, the
Colonies, &c.

The Duty to be charged in respect thereof shall be computed on a Sum not less than the full Amount of the actual Sums annually received in Great Britain, either for Remittances from thence payable in Great Britain, or from Money or Value received in Great Britain, and arising from Property which shall not have been imported into Great Britain, or from Money or Value so received on Credit or on Account in respect of such Remittances, Property, Money, or Value brought or to be brought into Great Britain, computing the same on an Average of the Three preceding Years, as directed in the First Case, without other Deduction or Abatement than is herein-before allowed in such Case.

Sixth Case.—The Duty to be charged in respect of any annual Profits or Gains not falling under any of the foregoing Rules, and not charged by virtue of any of the other Schedules contained in this Act.

Computation of Duty
on undescribed Pro-
fits.

The Nature of such Profits or Gains, and the Grounds on which the Amount thereof shall have been computed, and the Average taken thereon (if any), shall be stated to the Commissioners, and Computation shall be made either on the Amount of the full Value of the Profits and Gains received annually, or according to an Average of such Period greater or less than One Year, as the Case may require, and as shall be directed by the said Commissioners; and such Statement and Computation shall be made to the best of the Knowledge and Belief of the Person in receipt of the same or entitled thereto.

CI. Provided always, and be it enacted, That nothing herein contained shall be construed to restrain any Person, carrying on, either solely or in Partnership, Two or more distinct Trades, Manufactures, Adventures, or Concerns in the Nature of Trade, the Profits whereof are made chargeable under the Rules of Schedule (D.), from deducting or setting against the Profits acquired in One or more of the said Concerns the Excess of the Loss sustained in any other of the said Concerns over and above the Profits thereof, in such Manner as may be done under this Act where a Loss shall be deducted from the Profits of the same Concern, or to restrain any of such Persons from making separate Statements thereof, or to restrain any such Person renting a Dwelling House, Part whereof shall be used by him for the Purposes of any Trade or Concern or any Profession hereby charged, from deducting or setting off from the Profits of such Trade, Concern, or Profession such Sum not exceeding Two Third Parts of the Rent *bona fide* paid for such Dwelling House with the Appurtenances, as the said respective Commissioners shall on due Consideration allow; and the res-

Persons carrying on Two
or more Concerns may
set the Loss sustained in
one against the Profits
acquired in the other
Concern.

pective Commissioners shall have Authority to allow such Deductions as in other Cases, and to assess such Person accordingly.

CII. And be it enacted, That upon all Annuities, yearly Interest of Money, or other annual Payments, whether such Payments shall be payable within or out of Great Britain, either as a Charge on any Property of the Person paying the same by virtue of any Deed or Will or otherwise, or as a Reservation thereout, or as a personal Debt or Obligation by virtue of any Contract, or whether the same shall be received and payable half-yearly or at any shorter or more distant Periods, there shall be charged for every Twenty Shillings of the annual Amount thereof the Sum of Seven-pence, without Deduction, according to and under and subject to the Provisions by which the Duty in the Third Case of Schedule (D.) may be charged; provided that in every Case where the same shall be payable out of Profits or Gains brought into charge by virtue of this Act no Assessment shall be made upon the Person entitled to such Annuity, Interest, or other annual Payment, but the whole of such Profits or Gains shall be charged with Duty on the Person liable to such annual Payment, without distinguishing such annual Payment, and the Person so liable to make such annual Payment, whether out of the Profits or Gains charged with Duty, or out of any annual Payment liable to Deduction, or from which a Deduction hath been made, shall be authorized to deduct out of such annual Payment at the Rate of Seven-pence for every Twenty Shillings of the Amount thereof, and the Person to whom such Payment liable to Deduction is to be made shall allow such Deduction, at the full Rate of Duty hereby directed to be charged, upon the Receipt of the Residue of such Money, and under the Penalty herein-after contained, and the Person charged to the said Duties having made such Deduction shall be acquitted and discharged of so much Money as such Deduction shall amount unto, as if the Amount thereof had actually been paid unto the person to whom such Payment shall have been due and payable; but in every Case where any annual Payment as aforesaid shall, by reason of the same being charged on any Property or Security in Ireland or in the British Plantations, or in any other of Her Majesty's Dominions, or on any Foreign Property or Foreign Security, or otherwise, be received or receivable without any such Deduction as aforesaid, and in every Case where any such Payment shall be made from Profits or Gains not charged by this Act, or where any Interest of Money shall not be reserved or charged or payable for the period of One Year, then and in every such Case there shall be charged upon such Interest, Annuity, or other annual Payment as aforesaid the Duty before mentioned, according to and under and subject

THE INDIAN INCOME-TAX ACT

to the several and respective Provisions by which the Duty in the Third Case of Schedule (D.) may be charged: Provided

Interest secured on Rates to be charged on the Officer managing the Accounts.

always, that where any Creditor on any Rates or Assessments not chargeable by this Act as Profits shall be entitled to such Interest, it shall be lawful

to charge the proper Officer having the Management of the Accounts with the Duty payable on such Interest, and every such Officer shall be answerable for doing all Acts, Matters, and Things necessary to a due Assessment of the said Duties, and Payment thereof, as if such Rates or Assessments were Profits chargeable under this Act, and such Officer shall be in like Manner indemnified for all such Acts, as if the said Rates and Assessments were chargeable.

CIII. And be it enacted, That if any Person shall refuse to allow any Deduction authorized to be made by this Act

Penalty on refusing to allow Deduction.

out of any Payment of annual Interest of Money lent, or other Debt bearing annual Interest, whether the same be secured by Mortgage or otherwise, he shall forfeit for every such Offence Treble the Value of such Principal Money or debt; and if any Person shall refuse to allow any Deduction authorized to be made by this Act out of any Rent or other annual Payment mentioned in the Ninth and Tenth Rules of No. IV, Schedule (A.), or out of any Annuity or annual Payment mentioned in Schedules (C.) or (E.), or in the next preceding Clause, save such annual Interest as aforesaid, every such Person shall forfeit the Sum of Fifty Pounds; and all Contracts, Covenants, and Agreements made or entered into, or to be made or entered into, for Payment of any Interest, Rent, or other annual Payment aforesaid, in full, without allowing such Deduction as aforesaid, shall be utterly void.

CIV. And be it enacted, That whenever it shall be proved, to the

Deductions on Payment of Interest of money, and other Payments from Profits charged under Schedule (D.) to be made by virtue of a Certificate.

Satisfaction of the said respective Commissioners acting in the District where any Person making the Application shall reside, that any Interest of Money, Annuity, or other annual Payment shall be annually paid out of the Profits and Gains

bonâ fide accounted for and charged by virtue of this Act at the Rate and according to the Rules specified in Schedule (D.), without any Deduction on account thereof, it shall be lawful for such Commissioners to grant a Certificate thereof, under the Hands of any Two of them, in such Form as shall be provided under the Authority of this Act, which Certificate shall entitle the Person so assessed, upon Payment of such Interest, Annuity, or other annual Payment, to abate and deduct so much thereof as a like Rate on such Interest, Annuity, or other annual Payment would amount unto; and every Person to whom such Interest, Annuity, or other annual Payment shall be paid shall allow such Deductions and Payments,

upon Receipt of the Residue of such Interest, Annuity, or other annual Payment, and the Person paying the same shall be acquitted and discharged of so much Money as a like Rate thereon would amount unto, as if the same had actually been paid unto the Person to whom such Interest, Annuity, or other annual Payment shall have been due and payable; provided no such Certificate shall be required where such Payments are to be made out of the Profits or Gains arising from Lands, Tenements, Hereditaments, or Heritages as before mentioned, or of any Office or Employment of Profit, or out of any Annuity, Pension, Stipend, or any Dividend or Share in such public Annuities as are herein mentioned, but such Deductions may be made without having obtained such Certificate.

CV. Provided always, and be it enacted, That any Corporation, Fraternity, or Society of Persons, any Trustee for charitable Purposes only, shall be entitled to the same Exemption in respect of any yearly Interest or other annual Payment chargeable under Schedule (D.) of this Act, in so far as the same shall be applied to charitable Purposes only, as is herein-before granted to such Corporation, Fraternity, Society, and Trustee respectively in respect of any Stock or Dividends chargeable under Schedule (C.) of this Act, and applied to the like Purposes; and such Exemption shall be allowed by the Commissioners for Special Purposes, on due Proof before them, and the Amount of the Duties which shall have been paid by such Corporation, Fraternity, Society, or Trustee in respect of such Interest or yearly Payment, either by Deduction from the same or otherwise, shall be repaid, under the Order of the said Commissioners for Special Purposes, in the Manner herein-before provided for the Repayment of Sums allowed by them, in pursuance of any Exemption contained in the said Schedule (C.).

CVI. And be it enacted, That every Person being a House-holder (except Persons engaged in any Trade, Manufacture, Adventure, or Concern, or any Profession, Employment, or Vocation,) shall be charged to the said Duties contained in Schedule (D.) by Commissioners acting for the Parish or Place where his Dwelling House shall be situate; and every Person engaged in any Trade, Manufacture, Adventure, or Concern, or any Profession, Employment, or Vocation, shall be chargeable by the respective Commissioners acting for the Parish or Place where such Trade, Manufacture, Adventure, or Concern shall be carried on, or where such Profession, Employment, or Vocation shall be exercised, whether such Trade, Manufacture, Adventure, or Concern shall be carried on, or such Profession, Employment, or Vocation shall be exercised, wholly or in part only in Great Britain, or whether such Person shall be engaged in One only or more of such Concerns, except where the same Person shall be engaged in different Concerns, and a Loss from one Concern shall be set

off or deducted from the Profits of another Concern; and every Person not being a Householder, nor engaged in any Trade, Manufacture, Adventure, or Concern, nor in any Profession, Employment, or Vocation, who shall have any Place of ordinary Residence, shall be charged by the Commissioners acting for the Parish or Place where he shall ordinarily reside; and every Person not herein-before described shall be charged by the Commissioners acting for the Parish or Place where such Person shall reside at the Time of beginning to execute this Act in each Year by giving such general Notices as are herein mentioned, or shall first come to reside after the Time for giving such general Notices; and every such Charge

made in such Parish or Place shall be valid and effectual, notwithstanding the subsequent Removal of the Person so charged from the Parish or Place;

and in order that the Place where the said last-mentioned Duties are to be charged may be ascertained, every Person is hereby required, on the Delivery of any List or Statement as aforesaid, at the same Time to deliver a Declaration in Writing signed by him declaring in what Place he is chargeable, and whether he is engaged in any Trade, Manufacture, Adventure, or Concern, or in any Profession, Employment, or Vocation, or not, and if he shall be so engaged in any Trade, Manufacture, Adventure, or Concern, or any Profession, Employment, or Vocation, also declaring the Place where the same shall be carried on or exercised, and every particular Concern, Profession, or Employment in which he shall be engaged in such Place in Great Britain, whether wholly in Great Britain, or in Part only, as aforesaid; provided that where any Trade shall be carried on in Great Britain by the Manufacture of Goods, Wares, or Merchandize, the Assessment thereon shall be at the Place of Manufacture, although the Sales of such Goods,

Wares, or Merchandize shall be elsewhere: Provided always, that every Person not being engaged in any Trade, Manufacture, Adventure, or Concern, or in any Profession, Employment, or Vocation, having Two or more Houses or Places at which he shall be ordinarily resident, shall be charged at such of the Parishes or Places wherein the Dwelling House is situate in which he shall be ordinarily resident at the Time of beginning to execute this Act in each Year in manner aforesaid, or in which he shall first come ordinarily to reside after giving such general Notices as aforesaid: Provided always, that

Profits arising from Possessions in Ireland, where to be assessed.

the Duty to be assessed by virtue of this Act, in respect of the Profits or Gains arising from Possessions or Securities in Ireland, upon any Person resident in Great Britain as aforesaid, may be stated to and assessed by the respective Commissioners acting for the respective Places where the Persons receiving or entitled unto the same shall reside; and if the same shall be received by any Agent, Attorney, or Factor, such Agent, Attorney, or Factor shall make such Return of the Name and Place of Abode of the

Person entitled thereto as is herein required to be made of other Persons of full Age resident in Great Britain, and if the Person entitled thereto shall not be of full Age, or not resident in Great Britain, such Agent, Attorney, or Factor shall be answerable for doing all Acts, Matters, and Things required by this Act to be done in order to the assessing such Profits to the said last-mentioned Duties, and paying the same.

CVII. Provided always, and be it enacted, That Persons holding Offices in Ireland, and residing in Great Britain, and Persons usually residing in Ireland, and serving in Parliament, who shall or may be exempted from the Duties of Assessed Taxes under the Provisions in that Behalf contained in the Acts relating to the said last-mentioned Duties, shall, under the like Circumstances under which such Exemptions are to be claimed, be chargeable to the Duties under this Act in like Manner only as Subjects of Her Majesty residing out of Great Britain.

Persons holding Offices in Ireland, &c. resident in Great Britain, as such to be chargeable as Subjects resident out of Great Britain.

CVIII. And be it enacted, That the Duty to be assessed by virtue of this Act in respect of the Profits or Gains arising from Foreign Possessions or Foreign Securities, or in the British Plantations in America, or in any other of Her Majesty's Dominions, may be stated to and assessed by the respective Commissioners acting for the respective Places herein-after mentioned, videlicet, London, Bristol, Liverpool, and Glasgow, according to the Regulations herein-after mentioned, as if such Duty had been assessed upon the Profits or Gains arising from Trade or Manufacture carried on in such Places respectively; and such Duty shall be stated to and assessed and charged by the Commissioners acting for such of the said Places at or nearest to which such Property shall have been first imported into Great Britain, or at or nearest to which the Person who shall have received such Remittances, Money, or Value from thence, and arising from Property not imported as aforesaid, shall reside; and in default of the Owner or Proprietor thereof being charged, the Trustee, Agent, or Receiver of such Profits or Gains shall be charged for the same, and shall be answerable for the doing all such Acts, Matters, and Things as shall be required by this Act to be done, in order to the assessing such Profits to the Duties granted by this Act, and paying the same, whether the Person to whom the said Profits belong shall be resident in Great Britain or not: Provided always, that whenever the Produce or the Profits or Gains arising from such Possessions or Securities as last aforesaid shall have been imported partly into the Port of London, and partly into any of the Outports of Bristol, Liverpool, or Glasgow, or shall have been received by any Person partly in the City of London and partly in any of the said Outports, within the Period of making up the Account on which the Duty is chargeable by

Duties on Profits of Foreign or Colonial Possessions or Securities, where to be charged.

this Act according to the Rules herein contained, the whole of the Duty chargeable in respect of such Produce, Profits, or Gains so imported or received shall be assessed and charged by the Commissioners acting for the said City of London, and not elsewhere, and as if the whole of the said Produce or the said Profits or Gains arising within the said Period had been imported into or received in London; and whenever such Produce or Profits or Gains arising as aforesaid shall have been within such Period wholly imported into or received at the said Outports of Bristol, Liverpool, and Glasgow, and different Parts thereof shall have been imported into or received at Two or more of such Outports, the Duty chargeable thereon shall be assessed and charged at One of such Places only, and in One Account, and at such of the said Places at which the major Part in Value of such Produce or Profits or Gains shall have been so imported or received; provided that the Statements of such Produce, Profits, or Gains shall be delivered to the Commissioners acting for each Place at which any Part of the said Produce or Profits or Gains shall have been so imported or received, and transmitted by the respective Commissioners to the Head Office for Stamps and Taxes in England, and the Commissioners of Stamps and Taxes shall cause all such Statements to be sent to the Commissioners acting for the Place where the Duty thereon shall appear by such Statements to be chargeable according to this Act, who shall accordingly assess the same in One Sum.

CIX. And be it enacted, That the Profits arising from the Docks called London, E. &W. I., & St. Katherine Docks to be assessed in London. the London Docks, the East and West India Docks, and Saint Katherine Dock respectively, situate in the County of Middlesex, shall be assessed by the Commissioners acting for the City of London.

CX. And be it enacted, That every Person having Two Residences, or carrying on any Trade or exercising any Profession in different Parishes, Places, or in any Place different from the Place of his ordinary Residence, shall, if required by the respective Commissioners, deliver at each such Parish or Place the like Lists, Declarations, and Statements as he is hereby required to deliver in the Parish or Place where such Person ought to be charged, but shall not be liable to any Double Charge by reason thereof; and all Lists, Declarations, and Statements containing the Amount of Profits chargeable under Schedule (D.) may be delivered to the respective Persons and in manner herein directed, sealed up, if superscribed with the Name and Place of Abode of, or Place of exercising the Profession or carrying on Trade by, the Person by whom the same shall have been made.

CXI. And be it enacted, That all Statements of Profits and Gains described in Schedule (D.) (except Statements whereon Assessments are to be made by the Commissioners for Special Purposes, as herein-after authorized,) shall be laid before the Additional Commissioners, or the Commissioners for General

Additional Commissioners to consider Statements, and make Assessments on such as are satisfactory.

Purposes acting as Additional Commissioners in their respective Districts, who shall appoint Meetings for taking all Statements then and from Time to Time to be delivered to them into consideration, within a reasonable Time after the Inspector or Surveyor shall have had the Examination of such Statements; and in case the said Additional Commissioners respectively shall be satisfied that any such Statements have been *bona fide* made according to the Provisions of this Act, and so as to enable the Commissioners to charge the respective Persons returning the same with the full Duties with which they ought respectively to be charged on account thereof; and in case no Information shall be given to the said Commissioners of the Insufficiency thereof, or no Objection shall be made thereto by the Inspector or Surveyor, which he is hereby empowered to make for sufficient Cause, the said Commissioners shall direct an Assessment to be made of the Duties chargeable on such Statement by virtue of this Act.

CXII. Provided always, and be it enacted, That where the Surveyor or Inspector shall apprehend the Determination made by the said Commissioners to be contrary to the true Intent and meaning of this Act, and shall then declare himself dissatisfied with such Determination, it shall be lawful for him to require the

Where the Surveyor is dissatisfied with an Assessment, he may require a Case to be stated for the Opinion of the General Commissioners.

said Commissioners to state specially and sign the Case upon which the Question arose, together with their Determination thereupon; which Case the said Commissioners are hereby required to state and sign accordingly, and to deliver to the said Inspector or Surveyor, to be by him transmitted to the Commissioners for General Purposes for the same District, who shall with all convenient Speed return an Answer to the Case so transmitted, with their Opinion thereon subscribed; and according to such Opinion the Assessment which shall have been the Cause of such Appeal shall be altered or confirmed.

CXIII. And be it enacted, That in every Instance in which any Person shall have made default in the Delivery of any

When no Statement or no sufficient Statement is returned, the Additional Commissioners to make an Assessment according to the best of their Judgment.

Statement, such Person not having been otherwise charged to the said last-mentioned Duties, or if the said Additional Commissioners shall not be satisfied with the Statement delivered by any Person, or any Objection shall be made thereto by the Inspector or Surveyor, (which he is hereby authorized and required to make in Writing, setting forth the Cause thereof, whenever he shall see

sufficient Cause,) or the said Commissioners shall have received any Information of the Insufficiency of any Statement, the said Commissioners shall make an Assessment on such Person in such Sum as, according to the best of their Judgment, ought to be charged on him by virtue of this Act; which assessment shall be subject to an Appeal, according to the Directions herein-after contained.

CXIV. And be it enacted, That whenever the Additional Commissioners shall think it proper to refer any Statement to the Commissioners for General Purposes without making any Assessment thereon, it shall be lawful for them so to do on delivering to the last-mentioned Commissioners the Case in Writing relative to such Statement, as the same shall appear to the said Additional Commissioners, with any Matter in question between them, either as to Law or Fact; and the said Commissioner for General Purposes shall proceed to inquire into the Merits of such Statement, in like Manner as they would have been hereby authorized to do in case the said Additional Commissioners had made an Assessment on such Statement, and the Party charged had appealed against the same, and thereupon an Assessment shall be made according to the Determination of the said Commissioners for General Purposes.

CXV. And be it enacted, That the Inspector or Surveyor, being sworn as aforesaid, shall and may at all seasonable Times inspect and examine any Assessment which shall be made by the Additional Commissioners, before the Delivery thereof to the Commissioners for General Purposes, and in case he shall discover any Error in the same which in his Judgment shall require Amendment, he shall certify the same to the said Additional Commissioners by whom the Assessment shall have been made, and the said Additional Commissioners, upon sufficient Cause being shown to them, shall amend the same as in their Judgment the Case shall require.

CXVI. And be it enacted, That in every Case where the Inspector or Surveyor shall object to the Amount of the Duty charged by any Assessment made by the Additional Commissioners, which he is hereby empowered to do in any Case upon sufficient Cause, he shall state such Objection in Writing to the said Additional Commissioners, who shall thereupon certify the same, together with the Reasons for making such Assessment, and any Information they shall have obtained respecting the same, to the Commissioners for General Purposes; and the said Inspector or Surveyor shall also give such Notice thereof to the Party assessed as he is required to do by the said several Acts relating to the Duties of Assessed Taxes in Cases of Surcharge, in

order that the Party so charged may be at liberty to appear before the said Commissioners for General Purposes in support of such Assessment.

CXVII. And be it enacted, That the said Additional Commissioners shall cause Certificates of Assessments to be duly made out, from Time to Time as the same shall be completed, distinguishing the Ward, Parish, or Place within their respective Districts for which each such Assessment shall be made, which shall contain the Names and Surnames of the Parties charged, and the Sums which they respectively ought to pay by virtue of this Act, and shall cause such Certificates to be entered in Books provided for that Purpose, according to such Forms as shall be transmitted to them by the Commissioners of Stamps and Taxes; and the said Additional Commissioners shall sign such Assessments, and from Time to Time deliver the same, so entered and signed, to the Commissioners for General Purposes, under Cover sealed up, and shall also cause the Statements returned to them by the Parties so assessed, or by the Assessors relating to such Assessments, to be delivered at the same Time, sealed up in the like Manner, to the said Commissioners for General Purposes; provided that no Assessment made by Additional Commissioners, or Persons acting as such, shall be delivered to the respective Parties until the Expiration of Fourteen Days after the Assessment, so signed as aforesaid, shall have been delivered to the Commissioners for General Purposes, or the Persons acting as such, and the Inspector or Surveyor shall have had Notice thereof.

CXVIII. And be it enacted, That if any Person shall think himself aggrieved by an Assessment made by the said Additional Commissioners, or by any Objection to such Assessment made by any Surveyor or Inspector as aforesaid, it shall be lawful for him, on giving Ten Days Notice thereof in Writing to the Inspector or Surveyor, to appeal to the Commissioners for General Purposes in the same District where such Assessment was made, who shall hear and determine such Appeal; and the Commissioners for General Purposes shall from Time to Time appoint Days for hearing Appeals as soon after any Assessments shall be returned to them by the Additional Commissioners as conveniently can be done, and the Assessors shall cause Notice of the Days so appointed to be given to the respective appellants, and the Meetings of the Commissioners for the Purpose of hearing Appeals shall be held from Time to Time, within the Time limited by the said Commissioners, with or without Adjournment; and no Appeal shall be received after the Time so limited, except on the Ground of Diminution of Income, as herein mentioned: Provided always, that if any Person shall be prevented, by Absence, Sickness, or other reasonable Cause, to be allowed by the said Commissioners, from making or proceeding upon his

Appeal within the Time so limited, it shall be lawful for the said Commissioners to give further Time for that Purpose, or to admit the same to be made by any Agent, Clerk, or Servant on the Behalf of such Appellant.

CXIX. And be it enacted, That in order that all Appeals upon such Assessments may be determined in due Time the
 Notice to be given of the Time limited for hearing Appeals. Commissioner for General Purposes shall cause a general Notice to be fixed up in their Office, or left with their Clerk, and also to be affixed on or near to the Door of the Church or Chapel of such Parish or Place, or of some adjoining Parish or Place, in Cases requiring the same by reason of any such Place having no Church or Chapel, limiting the Time for hearing all Appeals, and which Appeals shall be limited to be heard within a reasonable Time after the Cause thereof shall have arisen; and no Appeal shall be heard after the Time limited in such Notice, unless the Appeal shall be made on behalf of any Person who shall be absent out of the Realm, or prevented by Sickness from attending in Person within the Time so limited, in which Cases it shall be lawful for the said Commissioners to postpone any such Appeal from Time to time, or to admit other Proof than the Oath of the Party of the Truth of the several Matters required by this Act to be proved by his Oath.

CXX. And be it enacted, That upon receiving Notice of Appeal against any Assessment made as last aforesaid, and also in every Case where the Commissioners for General Purposes shall see Cause to allow the Objection of such Inspector or Surveyor to such Assessment, the said Commissioners shall direct their Precept to the Person appealing, to return to them, within the Time limited therein, a Schedule containing such Particulars as the said Commissioners shall demand, under the Authority of this Act, for their Information, respecting the Property of such Person, or the Trade, Manufacture, Adventure, or Concern in the Nature of Trade, or the Profession, Employment, or Vocation respectively carried on or exercised by such Person, and the Amount of the Balance of his Profits and Gains, distinguishing the particular Amounts derived from each separate Source before mentioned, or respecting the Particulars of the Deductions from any of such Profits or Gains made in such Statements or Schedules, and which the said Commissioners are hereby empowered and required to demand, at their Discretion, whenever the same shall appear to them necessary for the Purposes mentioned in this Act, and so from Time to time until a complete Schedule, to the Satisfaction of the said Commissioners, of all the Particulars required by them, shall be delivered; and every such Precept, being delivered to or left at the last or usual Place of Abode of the Person to whom the same shall be directed, shall be binding upon him according to the Exigency thereof; or in case such Person shall have removed from the Jurisdiction of the said Com-

missioners, or cannot be found, or his Place of Abode shall not be known, then, upon fixing such Precept on or near to the Door of the Church or Chapel of the Place where the Commissioners shall meet in the Execution of this Act, such Precept shall also be binding upon such Person according to the Exigency thereof, and such Person shall make the Return required by the said Commissioners within the Time limited in such Precept, under the Penalty in this Act contained, and subject to such Charge as the said Commissioners are hereby authorized to make in such Case; to which Schedule any Inspector or Surveyor sworn as aforesaid shall have free Access at all reasonable Times, and shall take such Copies thereof, or of any Parts thereof, or Extracts from the same, as he shall think necessary for the due Execution of this Act.

CXXI. And be it enacted, That it shall be lawful for the Inspector or Surveyor sworn as aforesaid, within a reasonable Time, to be allowed by the said Commissioners for General Purposes, after he shall have had the Examination of such Schedules, to object to the same or any Part thereof, and to state such Objections in Writing, and the Cause thereof, to the best of his Knowledge or Information; and the said Inspector or Surveyor shall, in every Case of objecting to any such Schedule, deliver a Notice in Writing of such Objection to the Party to be charged, or leave the same at his last or usual Place of Abode, under Cover sealed up and directed to such Party, in order that he may, if he shall think fit, appeal from the same to the said Commissioners: Provided always, that no Assessment shall be confirmed, nor any Alteration therein be made, until the Appeal upon such Objection or Assessment shall be heard and determined.

CXXII. And be it enacted, That if, upon receiving the Objection of such Inspector or Surveyor to any Schedule, the said Commissioners for General Purposes shall see Cause to disallow such Objection, or if, upon the hearing of any such Appeal as aforesaid, the said Commissioners shall be satisfied with the Assessment made by the Additional Commissioners, or after Delivery of a Schedule they shall be satisfied therewith, and shall have received no Information of the Insufficiency thereof, the said Commissioners for General Purposes shall direct such Assessment to be confirmed or altered according in such Schedule, as the Case may require; Provided that in every Case where they shall think proper that the said Statement on which the Additional Commissioners made their Assessment, or the Schedule delivered to the Commissioners for General Purposes, should be verified, they shall direct the Assessor to give Notice to the Person to be charged with the said Duties to appear before them to verify the said Statement or Schedule in the Manner herein-after mentioned; and every such Person is hereby required

to appear accordingly before the said Commissioners, and, on Oath as aforesaid, to verify the Contents of his Statement or Schedule, and to sign and subscribe the same with his proper Name; and such Oath shall be, that the Contents of such Statement or Schedule are true to the best of his Judgment or Belief, and that the same contains the just Balance of the Profits and Gains arising from the Source or Sources therein contained, after making such Reductions as are therein stated, and that no Deduction whatever than such as is therein stated, and to such Amount only as is therein stated, hath been made from the Profits or Gains accounted for: Provided always, that such Person shall be at liberty to amend his said Statement or Schedule before he shall be required to take such Oath; and after such Oath, and in every Case where such Statment or Schedule shall not have been objected to as aforesaid, and the said Commissioners shall be satisfied therewith, they shall make an Assessment according thereto, on the Amount therein stated, at which the Duty shall have been computed; and every such Assessment, made after Verification of such Statement or Schedule, shall be final and conclusive as to the Matters contained in such Statement or Schedule.

CXXIII. And be it enacted, That whenever the Commissioners for General Purposes shall be dissatisfied with any Assessment returned by the Additional Commissioners to them, or with any Schedule delivered to them, or shall require further Information respecting the same, it shall be lawful for the said Commissioners for General Purposes to put any Question in Writing touching such Assessment, or the Contents of such Schedule, or touching any of the Matters which ought to be contained therein, or any Sums which shall have been set against or deducted from the Profits or Gains to be estimated in such Assessment or Schedule, and the Particulars thereof, and to demand an Answer in Writing accordingly from and signed by the Person to be charged, and so from Time to Time whenever the said Commissioners shall think the same necessary, and the said Commissioners for General Purposes shall from Time to Time issue their Precept, requiring true and particular Answers to be given to such Questions within Seven Days after the Service of such Precept; and every such Person shall make true and particular Answers, in Writing, signed by him, to such Questions, within the Time limited by such Precept, or shall within the like Period tender himself before the said Commissioners for General Purposes to be examined by them *viva voce* to such Matters; and every Person required to make such Answers, or appearing before the said Commissioners to be examined as a Party, or as the Clerk, Agent, or Servant of such Party, as herein is mentioned, shall be permitted to give his Answers, either in Writing as aforesaid or *viva voce*, without having taken any Oath, and shall be at liberty to object to any Question, and peremptorily to refuse answering the same; and the

Substance of such Answers as he shall give *viva voce* shall, in his presence, be reduced into Writing, and read to him, and he shall be at liberty to alter any Part thereof, and also to alter or amend any Particular contained in his Answers in Writing, or in any Schedule or Declaration, before he shall be called upon to verify the same in the Manner herein directed; and every such Schedule shall be altered or amended as shall seem requisite, after such Inquiry or Examination.

CXXIV. And be it enacted, That it shall be lawful for the Commissioners for General Purposes, in every such Case as aforesaid, whenever they shall think the same necessary, to require the Person upon whom any Assessment hath been made by the Additional Commissioners, with which the said Commissioners for General Purposes are dissatisfied, or from whom such Schedule or Answers in Writing as aforesaid have been received, with which the said Commissioners are dissatisfied, to appear and verify the same, and, upon the Appearance of such Person, to permit him to alter or amend such Schedule or Answers, and thereupon to administer to such Person the Oath herein-after mentioned, and also to require any Person who shall have been examined *viva voce* before them to verify his Examination on Oath, which any One of the said Commissioners is hereby empowered to administer, and such Oath shall be, that the Contents of the said Statements or Schedules are true to the best of his Knowledge and Belief, and contain a full and true Account of the Balance of all the Profits and Gains of the Deponent chargeable by this Act, to the best of his Knowledge and Belief, and a full and true Account of every Deduction made from his Profits or Gains in adjusting such Balance, or that the Contents of all such Answers in Writing as shall have been returned to the said Commissioners by him as the same are then stated, or that the Contents of his Examination, as the same have been reduced into Writing, are true; and every such Oath shall be subscribed by the Party taking the same.

CXXV. And be it enacted, That it shall be lawful for the Commissioners for General Purposes to summon in like manner any Person, whom they shall think able to give Evidence or Testimony respecting the Assessment made or to be made on any other Person, to appear before them to be examined, and to examine every such Person who shall so appear before them on (except the Clerk, Agent, or Servant of the Person to be charged, or other Person confidentially intrusted or employed in the Affairs of such Party to be charged, and who shall respectively be examined in the same Manner and subject to the same Restrictions as are hereinbefore provided for the *viva voce* Examination of any Party touching the Assessment to be charged on him), which Oath any One of the said Commissioners is hereby empowered to administer; and such Oath shall be, that

the Testimony or Evidence to be given by such Person shall contain the whole Truth, and nothing but the Truth, in respect of the Matter in question concerning which such Evidence or Testimony is to be given, and every such Oath shall be subscribed by the Person taking the same; and

if any Person, being duly summoned as aforesaid, shall refuse or neglect to appear before the said Commissioners at the Time and Place to be appointed for that Purpose, or if any Person, other than such Clerk, Agent, Servant, or Person confidentially intrusted or employed as aforesaid, being summoned, shall appear before the said Commissioners, but shall refuse to be sworn, or to subscribe such Oath as aforesaid, or having taken and subscribed such Oath, shall refuse to answer any lawful Question touching the Matter depending before the said Commissioners, every Person so offending shall forfeit any Sum not exceeding Twenty Pounds.

CXXVI. And be it enacted, That if the Commissioners for General Purposes, or the major Part of them present, after hearing all such Appeals as shall be depending before them, or upon any Objection made by the Inspector or Surveyor to any such Assessment or Schedule, whether such Inquiry or Examination as aforesaid shall have taken place or not, shall agree to make an Assessment according to the Statement contained in the said Schedule, as the same shall have been returned, or altered or amended upon Appeal as aforesaid, they shall direct an Assessment to be made of the Duties chargeable on the Statement contained in the said Schedule at the Rate contained in this Act; and if the said Commissioners shall think proper to require a Verification of the said Schedule, they shall give Notice in manner aforesaid to the Party to appear before them to verify the same, and such Verification shall be made by the Party in such Manner, and such Assessment thereupon shall be made, as hereinbefore directed, which Assessment shall be final and conclusive; but nevertheless, in every Instance where any Person shall have neglected or refused to return such Schedule according to the Exigency of the Precept of the said Commissioners, or if any Clerk, Agent, or Servant of such Party as aforesaid, being summoned, shall have neglected or refused to appear before the Commissioners to be examined, or if such Party, or his Clerk, Agent, or Servant, as aforesaid, shall have declined to answer any Question put to him by the said Commissioners in Writing or *viva voce*, or where the Schedule delivered shall have been objected to as aforesaid, and such Ojection shall not have been appealed against within such reasonable Time as is directed by this Act, or where any Person, being required so to do, shall have neglected or refused to verify his Statement or Schedule, or his Answers or Examination in Writing, or where the Commissioners shall agree as aforesaid to allow the Objections, or any of them, made by

such Inspector or Surveyor, it shall be lawful for the said Commissioners, and they are hereby required, in every such Case, according to the best of their Judgment, to settle and ascertain in what Sums such Person ought to be charged, and to make an Assessment accordingly, which Assessment shall be final and conclusive.

CXXVII. And be it enacted, That in every Case where the Commissioners for General Purposes shall have made any increased Assessment upon the Amount contained in the Statement or Schedule of the Party to be charged, or shall at any Time during the Continuance of this Act discover that any Increase ought to be made, whether upon the Surcharge of the Inspector or Surveyor, or from his Information, or otherwise, it shall be lawful for them to charge such Person in a Sum not exceeding Treble the Amount by which the Duties shall have been increased; (that is to say,) where the Party shall have refused or neglected to deliver any Statement or Schedule, then in a Sum not exceeding Treble the Amount of the Sum which, according to the Rate prescribed in Schedule (D.), such Person, in the Judgment of the said Commissioners, ought to be charged at, to be added to the Assessment, and applied as directed by this Act in other Cases of increased Assessments, and in case a Statement or Schedule shall have so delivered, then in a Sum not exceeding Treble the Amount beyond the Amount contained in such Statement or Schedule, unless such Person shall in every such Case make it appear to the Satisfaction of the said Commissioners that the Omission complained of did not proceed from any Fraud, Covin, Art, or Contrivance, or any gross or wilful Neglect.

CXXVIII. And be it enacted, That if any Person required by the Commissioners for General Purposes to make out and deliver any Schedule to the Person to whom the same ought to be delivered in pursuance of this Act shall refuse or neglect so to do, or shall refuse or neglect to appear before the said Commissioners, or to verify upon Oath before them any Statement or Schedule by him delivered, within the Time limited by such Commissioners in pursuance of this Act, every such Person so offending shall forfeit any Sum not exceeding Twenty Pounds, and Treble the Duty at which he ought to be assessed.

CXXIX. Provided always, and be it enacted, That if any Person who shall have delivered a Statement or Schedule shall discover any Omission or wrong Statement therein, it shall be lawful for him to deliver an additional Statement or Schedule rectifying such Omission or wrong Statement, and such Person shall not afterwards be subject to any Proceeding by reason of such Omission or wrong Statement; and if any Person shall not have delivered a Statement or Schedule, within the Time limited by

the Commissioners for that Purpose, it shall be lawful for him to deliver a Statement or Schedule, in manner herein directed, at any Time before a Proceeding shall be had to recover the Penalty herein mentioned, and no Proceeding shall be afterwards had for recovering such Penalty; and if any Proceeding shall have been actually had before the Commissioners for recovering such Penalty, it shall be lawful for the same Commissioners, on due Proof to their Satisfaction that no Fraud or Evasion whatever was intended, to stay such Proceedings, either on the Terms of paying or without paying the Costs then incurred, as the Commissioners shall think fit; and if any Proceeding shall have been commenced in any Court, it shall be lawful for the Commissioners to certify, that in their Judgment no Fraud or Evasion was intended by the Party making such Omission, and it shall be lawful for any Judge of such Court, on a summary Application, to stay such Proceedings on such Terms as he shall think fit; or if such Person shall have delivered an imperfect Statement or Schedule, and shall give to the Commissioners a sufficient Reason why a perfect Statement or Schedule cannot be delivered, the said Commissioners, being satisfied therewith, shall give further Time, and so from Time to Time, for the Delivery of such Statement or Schedule; and such Person shall not be liable to any Penalty for not having delivered such Statement or Schedule within the Time before limited, in case such Person shall have delivered as perfect a Statement or Schedule as from the Nature of the Case he was enabled to give, and so from Time to Time as long as the Commissioners shall grant further Time as aforesaid.

CXXX. Provided always, and be it enacted, That in any case in which an Appeal is allowed to be made to the Commissioners for General Purposes against any Assessment of the Duties contained in Schedule (D.), of this Act, or against any Objection of the Inspector or Surveyor to such Assessment, or against any Surcharge of the said Duties, it shall be lawful for the Person assessed or charged, if he shall think fit, instead of appealing to the said Commissioners for General Purposes, to appeal to the Commissioners for Special Purposes, upon giving Notice thereof in Writing to the Inspector or Surveyor within the Time limited for Notices of Appeal to the Commissioners for General Purposes in similar Cases, and thereupon every such Appeal shall be heard and determined by Two or more of the Commissioners for Special Purposes who shall be directed by the Commissioners of Stamps and Taxes to hear Appeals in the District in which such Appellant shall be chargeable, and the Determination of the said Commissioners for Special Purposes shall be final and conclusive in the Matter: Provided always, that no Person who shall claim the Exemption herein-after granted to Persons whose annual Income is less than One hundred and fifty

Parties assessed or surcharged to the Duties in Schedule (D.) may appeal to Special Commissioners.

Claims of Exemption for Income being less than 150/ to be determined by General Commissioners.

Pounds shall be allowed to appeal to the said Commissioners for Special Purposes, but that every such Claim shall be determined by the Commissioners for General Purposes as herein-after directed.

CXXXI. Provided also, and be it enacted, That it shall be lawful for any Person chargeable to the Duties contained in the said Schedule (D.), and who shall not claim the said Exemption herein-after granted, to require, if he shall think fit, that all proceedings in order to an Assessment upon him, in respect of Profits and Gains chargeable under the said Schedule, shall be had and taken before the Commissioners for Special Purposes in the Manner herein-after directed, instead of the Additional Commissioners or the Commissioners for General Purposes, provided he shall deliver a Notice of such Request, together with the List, Declaration, and Statement of such Profits and Gains, to the Assessor of the Parish or Place, to be by him transmitted to the Inspector or Surveyor of the District in which the same shall be chargeable, within the Time to be limited by the General Notice herein-before directed to be given for Delivery of all such Lists and Statements as aforesaid; and thereupon the said Inspector or Surveyor shall examine the said List and Statement, and shall compute and assess the Duties which, according to his Judgment, shall be chargeable upon the Party under the said Schedule (D.), and shall make a Certificate of such Assessment, and deliver the same, together with the said List, Declaration, and Statement, to the Commissioners for Special Purposes, who shall examine the same, and make or sign and allow such an Assessment of the said Duties as shall appear to them to be just and proper, subject to an Appeal by the Party to be charged, or by the Inspector or Surveyor objecting to such Assessment, in like Manner and under the like Rules and Regulations as in Cases of Appeal against Assessments made by the said Additional Commissioners; and every such Appeal shall be heard and determined by the Commissioners for Special Purposes directed by the Commissioners of Stamps and Taxes to hear Appeals in such District, provided that if either the Party to be charged, or the Inspector or Surveyor, shall apprehend the Determination of the said Commissioners for Special Purposes on such Appeal to be erroneous in any Particular, and shall then express himself dissatisfied therewith, the said Commissioners, if required by him, shall state specially and sign the Case on which the Question arose, together with their Determination thereon, and transmit the same to the Commissioners of Stamps and Taxes for their Opinion; and the said last-mentioned Commissioners shall, with all convenient Speed, state and subscribe their Opinion on the Case so transmitted, and according to such Opinion the Assessment which shall have been the Subject of Appeal shall be altered or confirmed, and the Decision of the Commissioners of Stamps and Taxes shall be final and conclusive in the Matter; and in every Case in which an Assessment

shall be made by the said Commissioners for Special Purposes, they shall notify the Amount thereof to the Party assessed, who shall cause the same to be paid to the Receiver General of Stamps and Taxes, or the proper Officer for Receipt in England or Scotland, at such Time or Times and in such Manner as the said Commissioners shall direct; and in default of such Payment the said Commissioners shall make a Duplicate of such Assessment, and deliver the same, together with their Warrant for levying the Amount thereof, to the Collector of the Duties appointed by the Commissioners for General Purposes for the Parish or Place in which the Party assessed shall reside, and such Collector is hereby authorized and required to levy and raise the Duties so assessed according to the Exigency of such Warrant.

CXXXII. And be it enacted, That wherever by this Act Authority is given to the Commissioners for Special Purposes to make, sign, or allow any Assessment, or to hear any Appeal, then and in every such Case all the Powers and Authorities, Rules and Regulations, which under or by virtue of this or any other Act may be exercised or put in force by the said Additional Commissioners or the said Commissioners for General Purposes, or by or under their Warrant, Order, or Direction respectively, with relation to the making, signing, or allowing of any Assessment, or to the Proceedings on any Appeal before them, or to the collecting, levying, and receiving of any of the Duties hereby granted, shall and may lawfully be exercised and put in force by the said Commissioners for Special Purposes, or by or under their Warrant, Order, or Direction, with reference to any Assessment to be made, signed, or allowed by such last-mentioned Commissioners, or any Appeal to be heard or determined by them.

CXXXIII. And be it enacted, That if within or at the End of the Year current at the Time of making any Assessment under this Act, or at the End of any Year when such Assessment ought to have been made, any Person charged to the Duties contained in Schedule (D.), whether he shall have computed his Profits or Gains arising as last aforesaid on the Amount thereof in the preceding or current Year, or on an Average of Years, shall find, and shall prove to the Satisfaction of the Commissioners by whom the Assessment was made that his Profits and Gains during such Year for which the Computation was made fell short of the Sum so computed in respect of the same Source of Profit on which the Computation was made, it shall be lawful for the said Commissioners to cause the Assessment made for such current Year to be amended in respect of such Source of Profit, as the Case shall require, and in case the Sum assessed shall have been paid, to certify under their Hands to the Commissioners for Special Purposes at the Head Office for Stamps and Taxes

in England the Amount of the Sum overpaid upon such First Assessment, and thereupon the said last-mentioned Commissioners shall issue an Order for the Repayment of such Sum as shall have been so overpaid, and such Order shall be directed to the Receiver General of Stamps and Taxes, or to an Officer for Receipt or Collector of the Duties granted by this Act, or to a Distributor or Sub-Distributor of Stamps, and shall authorize and require the Repayment of the said Sum so overpaid as aforesaid, in like Manner as is herein-before provided with respect to the Allowances to be granted under No. V. of Schedule (A.), of this Act.

CXXXIV. And be it enacted, That in case any Person charged to the said Duties under Schedule (D.), whether the Abatement to be allowed when Persons shall cease to exercise any Trade, or shall die before the End of the Year. Computation thereon shall have been made on the Profits of One Year or on an Average, as herein allowed, shall cease to exercise the Profession, or to carry on the Trade, Employment, or Vocation, in respect whereof such Assessment was made, or shall die, or become bankrupt or insolvent, before the End of the Year for making such Assessment, or shall from any other specific Cause be deprived of or lose the Profits or Gains on which the Computation of Duty charged in such Assessment was made, it shall be lawful for such Person, or his Executors or Administrators, to make Application to the Commissioners for General Purposes of the District, within Three Calendar Months after the End of such Year, and on due Proof thereof to their Satisfaction the said Commissioners shall cause the Assessment to be amended, as the Case may require, and give such Relief to the Party charged, or his Executors or Administrators, as shall be just, and in Cases requiring the same the said Commissioners shall direct, in manner before mentioned, Repayment to be made of such Sum as shall have been overpaid on the Assessment amended or vacated: Provided always, that where any Person shall have succeeded to the Trade or Business of the Party charged, no such Abatement shall be made, unless it shall be proved to the Satisfaction of the said Commissioners that the Profits and Gains of such Trade or Business have fallen short from some specific Cause, to be alleged to them and proved, since such Change or Succession took place, or by reason thereof, but such Person so succeeding to the same shall be liable to the Payment of the full Duties thereon without any new Assessment.

CXXXV. And be it enacted, That the Persons acting as Commissioners in the Execution of this Act shall be charged and assessed to the Duties contained in Schedule (D.), if liable thereto, in like Manner as any other Persons may be charged and assessed to the said Duties: Provided always, that any Commissioners whose Statement or Schedule shall be under Consideration, or shall be concerned or
 Commissioners to be assessed to Duties under Schedule (D.) as other Persons.
 Not to be present during the Consideration of their Statements.

interested therein, either for himself or for any other Person, in any Character before described, shall have no Voice, and shall not be present, except upon an Appeal, for the Purpose of being examined *viva voce* by the Commissioners then having his Assessment or Schedule under Consideration, but shall withdraw during the Consideration and Determination thereof.

CXXXVI. And be it enacted, That the Commissioners for General Purposes acting in relation to the Duties contained in Schedule (D.), shall, in their respective Books of Assessment, enter and cause to be entered the several Amounts of the Sums assessed by them; and they shall from Time to Time make out, and transmit to the Commissioners of Stamps and Taxes, Accounts of the Amount of Duty assessed by them, distinguishing the Amount charged on each Person, which Accounts shall severally be made out, with the Particulars required by this Act; and they shall also from Time to Time make out, and transmit to the said Commissioners of Stamps and Taxes, Lists containing the Name, Description, and Place of Residence of every Person assessed by them respectively, as soon as the same conveniently can be done, which Lists shall be made out according to an alphabetical Arrangement of the respective Parishes or Places of Residence in their respective Districts.

CXXXVII. And be it enacted, That all Assessments upon Profits or Gains under Schedule (D.), made by the Commissioners for General Purposes shall be entered in Books, with the Names and Descriptions of the Persons, Corporations, Companies, or Societies to be charged therewith, and their respective Places of Abode set opposite thereto, and which Entries shall respectively be numbered progressively, or lettered, or distinguished by Numbers or Letters, as the said Commissioners shall think proper; and that when and as soon as the said Commissioners shall have caused to be made any such Entry in such Book, in case the Person charged by such Assessment shall have declared his Intention to pay the Duty to the Proper Officer for Receipt within the Time limited by this Act for Payment thereof, and in case the said Commissioners shall be satisfied with such Declaration, they shall deliver to such Person, or to such other Person as shall be there attending on his Behalf, a Certificate under the Hands of Two or more of such Commissioners, specifying the Amount of the Sums to be paid within One Year upon such Assessment; and every such Certificate shall be numbered or lettered with the same Number or Letter as the Entry in the Book of the said Commissioners to which such Certificate shall relate shall be marked and numbered or lettered, without naming or otherwise describing the Person charged thereby; which

Certificate shall, on Production thereof, be a sufficient Authority to the said Officer for Receipt from Time to Time to receive from any Person bearing and producing such Certificate the Amount of the Sums therein contained, in such Proportions thereof as by this Act are made payable by Instalments, and at the Times by this Act appointed for Payment thereof, or in advance; and on the Payment of the Sums contained in any such Certificate, or any Proportion thereof, the said Officer for Receipt shall give Certificates for the same, acknowledging the Receipt of the Sum paid on account of the Certificate of the said respective Commissioners by the Number or Letter marked thereon as before directed.

CXXXVIII. And be it enacted, That in all Cases where the Commissioners shall not have received a Declaration of the intended Payment to the Officer for Receipt as aforesaid of the Duty to be charged under Schedule (D.), or shall not be satisfied with such Declaration, they shall deliver a Duplicate of the Assessments to the Collector, with the Names and Descriptions of the Parties charged therewith, together with their Warrants for collecting the same, in such Form and under the like Powers as they are authorized to collect the Duty under any of the other Schedules contained in this Act; and if after the Receipt of any such Declaration the Duties shall not be duly satisfied and paid accordingly, the said Commissioners shall cause the Names of the Defaulters, and the Amount of Duty assessed on each, to be inserted from Time to Time in the Duplicate of such Collector; and the Warrant for collecting the same shall be of the like Force and Effect as if such Names and Sums had been inserted therein at the Time of issuing such Warrant.

CXXXIX. And be it enacted, That it shall be lawful for the respective Commissioners for General Purposes to issue out and deliver to the respective Officers for Receipt Duplicates of the Assessments made by them, containing the Sums assessed on every Person to whom a Certificate hath been delivered by Letter or Number, together with the Number or Letter set opposite thereto in their respective Books before mentioned, without naming such Persons, with their Warrants for receiving the Duties charged by such Commissioners respectively when the same shall become payable as aforesaid; and all such Sums shall be paid to the respective Officers for Receipt, and such Part thereof as shall not be so paid to them may be levied and collected as herein is mentioned; and if not so paid, levied, or collected, the same shall be recoverable as a Debt to the Queen's Majesty, with full Costs of Suit, and all Charges and Expences attending the same.

CXL. And be it enacted, That the Duties payable on such last-mentioned Assessments shall be paid to the proper Officer for Receipt, by such Instalments as by this Act is directed, before the respective Days appointed for such Payments, according to the Regulations of this Act, or by Three or Two Instalments, or in One Sum in full, as the Parties shall choose; and the Certificates hereby required to be given on such Payments shall be delivered to the respective Commissioners, or to One or more of them, or to their Clerk, at their Office, before the Times when the same are hereby made payable, taking his or their Receipt for the same, which Receipt shall be a sufficient Discharge for the Money so paid in satisfaction of so much of the Assessment as shall be mentioned in such Certificate to be so paid; and if any Person shall neglect to pay such Duties at the Time and in the Manner hereby directed for payment thereof, or, having paid the same, shall neglect to deliver the Certificate required to be given on such Payment as herein before directed, it shall be lawful for the Commissioners for General Purposes, and they are hereby required, to deliver a Duplicate of all Sums assessed on any Person who shall have made default in paying or accounting for the Payment of the same, together with their Warrant, to such Collector as they shall appoint to levy the Sum in arrear and unpaid, and such Duplicate shall be made out, and such Sums shall be levied, according to the Regulations of the said Acts relating to the Duties of Assessed Taxes.

CXLI. And be it enacted, That it shall be lawful for any Person to pay in advance to the Receiver General of Stamps and Taxes, or to the proper Officer for Receipt, any Sum of Money charged as aforesaid, and to require a Certificate acknowledging such Payment; and it shall be lawful for the said Receiver General or Officer for Receipt, on Production of the Notice or Certificate of such Assessment at the Time of Payment of the said Duty in advance (the Sum so paid not in any Case to be less than the Sum which appears by such Certificate to be payable by two Instalments), to make an Allowance at the Rate of Four Pounds per Centum per Annum, out of the Sum so paid in advance, calculated upon such Sum for the period by which the same shall be paid sooner than the Period prescribed by this Act for the Payment thereof; and in every such Case the said Receiver General or Officer for Receipt shall give the Person paying the same a Certificate of such Payment, specifying therein the Number of Instalments thereby discharged, and the Amount of the Allowance for such prompt Payment, and referring thereby to the Notice or Certificate of Assessment then produced, and the Name, Number, or Letter therein mentioned; and all such Allowances shall be made at the Time of paying the said Duties; and such Certificates as aforesaid, being delivered

at the respective Offices of the Commissioners for executing this Act, shall be received by them as Cash in discharge of the Assessments, and shall be allowed to them in their Accounts.

CXLII. And be it enacted, That upon the Payment of any such Sum of Money as aforesaid, the said Receiver General or Officer for Receipt shall give such Certificate as aforesaid for the Whole of the Sums so paid, or separate Certificates in like Form for such Portions thereof as shall be required, which Certificates shall severally be cut off indentwise from the Counter-cheques thereof, which Counter-cheques are to remain with the said Receiver General or Officer for Receipt; and every such Certificate shall be denominated in the Body thereof to be on account of Payments made in discharge of the Duties assessed by virtue of this Act; and upon the Delivery of any such Certificate as last aforesaid to the said Commissioners for General Purposes, or at their Office, in discharge of the Whole or any Part of the said Duties assessed or charged upon the Person delivering such Certificate, the said Commissioners or their Clerk shall, if required, endorse in Writing on the Back of the Certificate to be given by them or him in such Case the Amount of the Number of Instalments of the said Duties to be discharged by such Payments, which Receipts of the said Commissioners or their Clerks as aforesaid shall be received, without further Proof, as Evidence of such Payments, in all Courts and Places and before all Persons whatever.

CXLIII. And whereas it is expedient to relieve Persons who may be willing to compound on the Terms herein-after mentioned for the Duties on the Profits and Gains described in the said Schedule (D.), from making any further Return of such Profits and Gains chargeable in the Second and Third Years of the Term limited for the Continuance of this Act; be it enacted, That every Person desirous of compounding for the said Duties shall deliver the List and Statement of his Profits and Gains chargeable under the said Schedule (D.), in the First Year of this Act to the Assessor of the Parish or Place in which Such Profits are chargeable in order to an Assessment of the Duties thereon being made by the said Commissioners for Special Purposes, and such Person shall at the same Time also deliver to the said Assessor a Notice signed by such Person of his Desire to compound for the Duties thereon in the Manner allowed by this Act; and when such Assessment shall have been made by the said Commissioners (any Appeal allowed by this Act and made against the same having been first determined) it shall be lawful for the said Commissioners for Special Purposes to contract and agree with such Person for a Composition for the said Duties, on the Terms herein-after mentioned, for the Period of Three Years,

limited for the Continuance of this Act, provided such Person shall enter into and sign a Contract of Composition within the Space of One Calendar Month next after the making of such Assessment shall have been notified to him, and his Appeal against the same (if any) shall have been determined; and the Terms of such Composition shall

Terms of Composition. be, the Payment in each and every Year of the said Term of the Amount of the said Assessment so made as aforesaid, together with an Addition thereto at and after the Rate of One Shilling for every Twenty Shillings of the Sum assessed as aforesaid, which Addition shall be made by the said Commissioners to the said Assessment so made for the First Year of the said Term, and in each subsequent Year thereof the Assessment of the said Duties under Schedule (D.), upon the Person who shall have entered into such Contract of Composition, shall be made by the Commissioners for Special Purposes in a Sum equal to the aggregate

Subsequent Statements unnecessary. Amount of the said First Year's Assessment, with the said additional Rate thereon; and it shall not be necessary for such Person to deliver any further

List, Declaration, or Statement of Profits described in the said Schedule (D.), during the said Term of Composition:

On Refusal to sign Contract, Assessment to be collected in the usual course.

Provided always, that if the Person upon whom such Assessment as aforesaid shall have been made shall neglect or refuse to enter into and sign such Contract of Composition within the Time herein limited for that Purpose, the Assessment so made, without the said additional Rate, shall be collected, levied, and recovered in like Manner as any other Assessment made by the Commissioners executing this Act.

Form and requisites of Contract of Composition. CXLIV. And be it enacted, That the Contract of Composition may be made in the following Form; videlicet,

'WHEREAS an Assessment of the Duties on Profits and Gains chargeable under Schedule (D.), of an Act passed in the Year of Queen Victoria, intituled An Act (set forth the title of this Act), hath been duly made by Two of the Commissioners for Special Purposes acting in the Execution of the said Act, upon A.B. of, &c., in the sum of

for the Year ending on the Fifth Day of April One thousand eight hundred and forty-three, and the said A.B. is desirous of compounding for the said Duties, as allowed by the said Act, for the Term herein-after mentioned:

'We, the undersigned, Two of the Commissioners for Special Purposes acting in the Execution of the said Act, have, by virtue and in pursuance of the Power and Authority thereby given to us in this Behalf, contracted and agreed with the said A.B. for a Composition for the said Duties, chargeable or which may become chargeable upon him under the said

'Schedule (D.), during the Term of Three Years, to be computed from
'the Fifth Day of April One thousand eight hundred and forty-two, and
'the following are the Terms of such Composition ; (that is to say,)

'The said A.B., his Heirs, Executors, or Administrators, shall well and
'truly pay to for the Use of Her Majesty, in each and every
'Year of the said Term, the sum of (being the
'Amount of the said Assessment, together with an Addition thereto
'at and after the Rate of One Shilling for every Twenty Shillings
'of the sum assessed as aforesaid) by Four equal quarterly
'Instalments ; (videlicet,)

'First Instalment, on or before the Twentieth Day of June ;

'Second Instalment, on or before the Twentieth Day of September ;

'Third Instalment, on or before the Twentieth Day of December ;

'Fourth Instalment, on or before the Twentieth Day of March, in
'each and every Year of the Term aforesaid :

'Provided always, that the Instalments now due and payable
'according to the Tenor of this Contract shall be paid, together with the
' Instalment, on or before the Day
'of now next ensuing.

'Dated this Day of

'(Signed)

Commissioners for special purposes under
the Act Vict. Cap.

'Witness to the signing hereof
'by the said A.B.

'A.B. the Party thereto'.

'Inspector [or Surveyor] of Taxes'.

And every such Contract of Composition shall be made in Two parts,
which shall be severally signed by Two Commissioners for Special Pur-
poses, and by the Person compounding, the signing whereof by such Person
shall be witnessed and attested by the Inspector or Surveyor of the
District in which such Person shall reside, or be chargeable for the said
Duties, and one of such parts of the said Contract so signed shall be
delivered to the Person compounding, and the other Part shall be trans-

The Contract to be an
Authority for making an
annual Assessment on
the Party compounding
in the Amount specified;
and the Amount to be a
Debt to Her Majesty,
and recoverable accord-
ingly.

mitted to the Head Office for Stamps and Taxes
in England or Scotland, as the Case may be ; and
every such Contract shall be an Authority for
the Commissioners for Special Purposes to make
an Assessment on the Party compounding for each
respective Year of the said Term of Composition
in the Sum specified in such Contract as the annual

Amount to be paid for such Composition, and to cause the same to be
collected, levied, and paid over at such Times and in such Manner, and

by all or any of such Ways and Means, as are herein respectively appointed, prescribed or authorized in relation to any other Assessment made by Commissioners acting in the Execution of this Act: Provided always, that whether any such Assessment as herein-before authorized to be made on the Party compounding shall be made or not, the Sum specified in such Contract of Composition as the annual Amount to be paid by the Party compounding, and the several Instalments thereof, when and as they respectively become payable according to the Tenor and Effect of such Contract, shall be a Debt due to the Queen's Majesty from the said Party compounding, his Heirs, Executors, and Administrators, and shall be recoverable by all or any of the Ways or Means by which any such Debt may be recovered, together with full Costs of Suit, and all Charges and Expences attending

Composition to cease on 5th April next after the Death, Bankruptcy, or Insolvency of Compounder.

the same: Provided also, that if any Person who shall have compounded as aforesaid shall die, or become bankrupt or insolvent, before the Expiration of the said Term of Three Years, his Contract of Composition shall cease and determine on the Fifth Day of April next after his Death, Bankruptcy, or Insolvency, save and except as to any Instalment of Duty which before the said Day shall have become payable and shall then remain unpaid.

CXLV. And be it enacted, That if any Person who shall propose to compound for the Duties chargeable under Schedule (D.), of this Act shall wilfully make or deliver any false Lists, Declaration, or Statement of Profits or Gains described in the said Schedule, or wilfully conceal or omit to state any of such his Profits or Gains, or any Part or Portion thereof, or any other Matter or Thing required by this Act to be stated in such List, Declaration, or Statement, or if any Person shall by any fraudulent Means procure an Assessment to be made upon him for a less Amount of the said Duties than he shall be chargeable with, in order to compound thereon, or if any Person shall by any fraudulent Means whatever cause or procure a Contract of Composition to be made or entered into with him for a less Amount of Duty than he ought to be charged with, every Person so offending in any of the Cases aforesaid shall forfeit the Sum of Fifty Pounds, and the Contract of Composition, if any shall have been made with such Person, shall be void and of no effect, and the Party shall be charged and assessed as if no such Contract had been made: Provided nevertheless, that any Sum of Money which may have been paid under or in pursuance of such Contract shall be forfeited to Her Majesty.

CXLVI. And be it enacted, That the Duties hereby granted, contained in the Schedule marked (E.), shall be assessed and charged under the following Rules, which Rules shall be deemed and construed a Part of this Act.

Duties in Schedule (E.) and Rules, deemed Part of this Act.

of this Act, and to refer to the said last-mentioned Duties, as if the same had been inserted under a special Enactment.

SCHEDULE (E.).

Rules for charging the said Duties.

First.—The said Duties shall be annually charged on the Persons respectively having, using or exercising the Offices or Employments of Profit mentioned in the said Schedule (E.), or to whom the Annuities, Pensions, or Stipends mentioned in the same Schedule shall be payable, for all Salaries, Fees, Wages, Perquisites, or Profits whatsoever accruing by reason of such Offices, Employments, or Pensions, after deducting the Amount of Duties or other Sums payable or chargeable on the same by virtue of any Act of Parliament, where the same have been really and *bonâ fide* paid and borne by the Party to be charged; and each Assessment in respect of such Offices or Employments shall be in force for One whole Year, and shall be levied for such Year without any new Assessment, notwithstanding a Change may have taken place in any such Office or Employment, on the Person for the Time having or exercising the same; provided that the Person quitting such Office or Employment, or dying within the Year, or his Executors or Administrators, shall be liable for the Arrears due before or at the Time of his so quitting such Office or Employment, or dying, and for such further Portion of Time as shall then have elapsed, to be settled by the respective Commissioners, and his Successor shall be repaid such Sums as he shall have paid on account of such Portion of the Year as afore-said; and each Assessment in respect of such Annuity, Pension, or Stipend shall be in force for One whole Year, unless the same shall cease or expire within the Year, by Lapse, Death, or otherwise, from which Period the Assessment thereon shall be discharged:

Second.—The said Duties to be assessed by the respective Commissioners for all the Offices in each Department in the Place where the said Commissioners shall execute their Offices, although certain of the Offices in the same Department may be executed elsewhere, and shall be due and payable from the respective Officers, and their respective Successors, for the Time being:

Third.—The said Duties shall be paid on all public Offices and Employments of Profit of the Description herein-after mentioned within Great Britain; (videlicet,) any Office belonging to either House of Parliament,

or to any Court of Justice, whether of Law or Equity, in England or Scotland, Wales, the Duchy of Lancaster, the Duchy of Cornwall, or any Criminal or Justiciary or Ecclesiastical Court, or Court of Admiralty, or Commissary Court, or Court-martial; any public Office held under the Civil Government of Her Majesty, or in any County Palatine, or the Duchy of Cornwall; any Commissioned Officer serving on the Staff or belonging to Her Majesty's Army, in any Regiment of Artillery, Cavalry, Infantry, Royal Marines, Royal Garrison Battalions, or Corps of Engineers or Royal Artificers; any Officer in the Navy, or in the Militia or Volunteers; any Office or Employment of Profit held under any Ecclesiastical Body, whether Aggregate or Sole, or under any public Corporation, or under any Company or Society, whether Corporate or not Corporate; any Office or Employment of Profit under any public Institution, or on any public Foundation, of whatever Nature or for whatever Purpose the same may be established; any Office or Employment of Profit in any County, Riding, or Division, Shire, or Stewartry, or in any City, Borough, Town Corporate, or Place, or under any Trusts or Guardians of any Fund, Tolls, or Duties to be exercised in such County Riding, Division, Shire, or Stewartry, City, Borough, Town Corporate, or Place; and every other public Office or Employment of Profit of a public Nature:

Fourth.—The Perquisites to be assessed under this Act shall be deemed

Fees or other Emoluments may be estimated on the Profits of the preceding Year, or on an Average of Three Years.

to be such Profits of Offices and Employments as arise from Fees or other Emoluments, and payable either by the Crown or the Subject, in the Course of executing such Offices or Employments, and may be estimated either on the Profits of the

preceding Year, or of the fair and just Average of One Year of the Amount of the Profits thereof in the Three Years preceding; such Years in each Case respectively ending on the Fifth Day of April in each Year, or such other Day of each Year on which the Accounts of such Profits have been usually made up:

Fifth.—In all Cases where any Salaries, Fees, Wages, or other Perquisites

The Duties on Salaries, Fees, Pensions, &c. payable at any public Office, to be stopped in case of Non-payment.

or Profits, or any Annuities, Pensions, or Stipends, shall be payable at any public Office, or by any Officer of Her Majesty's Household, or by any of Her Majesty's Receivers or Paymasters, or by any Agent employed in that Behalf, the Duties

chargeable under this Act in respect of such Salaries, Fees, Wages, Perquisites, or Profits, or in respect of such Annuities, Pensions, or Stipends, shall be detained and stopped out of the same, or out of any Money which shall be payable upon such Salaries, Fees, Wages, Perquisites, or Profits, or upon such Annuities, Pensions, or Stipends, or for

the Arrears thereof, whenever the same shall happen, and be applied to the Satisfaction of the Duties on such Offices or Employments, or on such Annuities, Pensions, or Stipends respectively, (not being otherwise paid,) in the Manner directed by this Act; and whenever the same so payable shall be assessed by the Commissioners for General Purposes in their respective Districts, they shall transmit an Account of the Amount of the Duty assessed to the Office where the same are payable, in order that the Amount so assessed may be there stopped or detained:

Sixth.—In all Cases where the Salaries, Fees, Wages, Allowances, or Profits of any Officer chargeable to the said Duties shall not arise out of any of the Offices mentioned in the foregoing Rule, but shall arise from any other Office or Employment of Profit chargeable to the said Duties, and the Salaries, Fees, Wages, Perquisites, or Profits shall be payable at such Office by any Officer thereof, or by any Receiver of the same respectively, or by any Agent employed in that Behalf, the Duties chargeable under this Act in respect of such Salaries, Fees, Wages, Perquisites, or Profits shall be detained and stopped out of the same, or out of any Money which shall be paid upon such Salaries, Fees, Wages, Perquisites, or Profits, or for Arrears thereof, whenever the same shall happen, and be applied to the Satisfaction of the Duties (not otherwise paid) in the Manner directed by this Act:

Seventh.—Such Portion of the said Duties on Offices or Employments of Profit, or on Annuities, Pensions, or Stipends, as are charged with any Sum of Money payable to any other Person, shall be deducted out of the Sum payable to such other Person as a like Rate on such Sum would amount unto; and all such Persons, their Agents and Receivers, shall allow such Deductions and Payments upon Receipt of the Residue of such Sums:

Eighth.—Such Portion of the said Duties charged on any Office or Employment of Profit executed by any Deputy or Clerk, or other Person employed under the principal in such Office, and paid by such Principal out of the Salary, Fees, Wages, Perquisites, or Profits of such Principal, shall be deducted out of the Salary or Wages so payable as a like Rate on such Salary or Wages would amount unto; and all such Deputies, Clerks, and other Persons so employed shall allow to their respective Principals such Deductions and Payments upon the Receipt of the Residue of such Salaries or Wages:

Ninth.—In estimating the Duty payable for any such Office or Employment of Profit, or any Pension, Annuity, or Stipend, all official Deductions and Payments made upon the Receipt of the Salaries, Fees, Wages, Perquisites, and Profits thereof, or in passing the Accounts belonging to such Office, or upon the Receipt of such Pension, Annuity, or Stipend, shall be allowed to be deducted, provided a due Account thereof be rendered to the said Commissioners, and proved to their Satisfaction:

Payments on Receipt of Salaries, &c., or in passing Accounts, &c. to be deducted.

Tenth.—In all Cases where any Annuity or Pension shall be payable out of any particular Branch of the public Revenue, and at the Office of that Branch of Revenue, the Commissioners acting for that Department shall have Authority to assess and levy the same as a Salary or Wages payable thereout.

Pensions payable out of a Branch of Revenue, to be charged by the Commissioners there.

CXLVII. And be it enacted, That every Person to be assessed for his Office or Employment shall be deemed to have exercised the same at the Head Office of the Department under which such Office or Employment shall be held, and shall be rated for such Office or Employment as if exercised at such Head Office, although the Duties of such Office or Employment shall be performed, or the Profits or any Part thereof arising from such Office or Employment shall be payable elsewhere, within or out of Great Britain; and all Assessments made on any inferior Officer, wherever he shall exercise his Office or Employment, shall be rated accordingly in the same District where such Head Office shall be established; and every Office shall be deemed to belong to and to be assessed by or under the principal Officers of that Department by or under whom the Appointment to such Office was made, provided that where such Appointment shall be made by any inferior Officer in any Department, then such Office shall be assessed by the same Commissioners by whom such inferior Officer shall be chargeable for his Office; provided that where any such Appointment shall be held under the Great Seal or Privy Seal, either of England or Scotland, or shall be made under the Royal Sign Manual, or where any such Appointment shall be under the Hands or Seals of the Commissioners of Her Majesty's Treasury, and the same shall not be exercised in the Department of the Treasury, then the Officer holding the same shall be assessed in that Department where the Office shall have been executed: Provided also, that nothing herein contained shall be construed to limit the Right herein-before given to Commissioners of the District of assessing Offices before described within their respective Jurisdictions, although such Offices, or

Persons assessed for Offices to be deemed to have exercised the same at the Head Office.

In what Departments Officers shall be assessed.

any of them, may not be held under their Appointment, or the Profits of such Offices may not be payable by them or their Order.

CXLVIII. Provided always, and be it enacted, That nothing herein contained shall extend or be construed to extend to charge any Person resident in Ireland with the Duties contained in the said Schedule (E.), in respect of any public Office or Employment the Duties whereof are necessarily and permanently performed in Ireland.

Duties not to extend to Offices necessarily executed in Ireland.

CXLIX. Provided always, and be it enacted, That the like Allowances shall be granted to the Trustees of the British Museum, in respect of any Charge under Schedule (A.), to be made on the Lands and Tenements vested in such Trustees, as are granted to Colleges and other Properties mentioned in No. VI of that Schedule; and the like Exemptions shall be allowed in respect of any Dividends of Stock vested in such Trustees, or any of them, or in any other for their Use, as are granted to charitable Institutions by this Act; and no Salary or Payment made or to be made out of Her Majesty's Exchequer to such Trustees for the Use of such Institutions shall be charged at the said Exchequer, provided all Salaries of Officers or Persons employed under the said Trustees shall be charged on the said Officers respectively.

Certain Allowances to Trustees of British Museum, and the like Exemptions as now allowed to chartable Institutions.

CL. And be it enacted, That the several Commissioners authorized to act in the Execution of this Act in relation to the Duties on Offices or employments or Profit, and on Pensions or Stipends, as soon after their Appointment respectively as conveniently can be done in their respective Departments, shall meet in some convenient Place, in order to qualify themselves by taking the Oaths prescribed by the said recited Acts relating to the Duties of Assessed Taxes, and shall have Power to elect a Clerk and Assessors, and in Cases where the Duties cannot be stopped and detained at the Department of Office of the said Commissioners, or for which the said respective Commissioners shall act, Collectors of the said Duties to be assessed by them from and amongst the Officers in their respective Departments, and separate Assessors and Collectors in each such Department, under the Cognizance of the same Commissioners, which Assessors shall within a Time to be fixed by the respective Commissioners, deliver to them their Certificates of Assessment, in Writing under their Hands, to be verified upon their Oaths, of the full and just annual Value of all Offices and Employments of Profit chargeable under this Act in the Department for which they shall be appointed Assessors, and of all

Commissioners on Offices to take the Oaths prescribed, and to have Power to appoint Clerks, Assessors, and Collectors, from the Officers in their Departments.

Pensions and Stipends, estimated according to this Act, with the Names and Surnames of the several Officers and Persons entitled to Pensions or Stipends, and the several Sums of Money they ought to pay by virtue of this Act, at the Rate of Seven-pence for every Twenty Shillings of such Value, without Abatement or Deduction, and without Concealment or Favour, upon Pain of Forfeiture for every Neglect in the Premises of any Sum not exceeding One hundred Pounds or less than Twenty Pounds, which said Assessors are hereby strictly enjoined and required, with all Care and Diligence, to charge and assess themselves, and all other Officers, Clerks, and Persons employed in their respective Departments of Office, and with respect to the Duty on Pensions or Stipends to charge and assess all Persons entitled unto any such Pensions or Stipends, and respectively

All such Assessors to have Access to Documents, and may require Returns.

to make their Assessments according to the Provisions of this Act; and every such Assessor shall have free Access to all Documents and Papers whatever in their respective Offices touching the Salaries, Fees, Wages, Perquisites, and Profits of any Officer, Clerk, or Person aforesaid, belonging to their respective Offices, and touching the Amount of the respective Pensions or Stipends, and shall be at liberty, whenever the same may be necessary, to require Returns from the Parties themselves, according to the Provisions of this Act, that they may be enabled to make a true Assessment in pursuance thereof.

CLI. Provided always, and be it enacted, That no Person shall, in respect of the Profits arising from Offices or from Pensions or Stipends chargeable before the respective Commissioners appointed for those Purposes in their respective Departments of Office as aforesaid, be liable to the Penalty herein contained for not returning a Statement of the Profits arising from such Office, Pension, or Stipend, in pursuance of any general Notice herein-before directed, nor in any Case except where the Assessor for those Profits respectively shall have required a Return thereof in pursuance of the next preceding Clause.

CLII. And be it enacted, That in every Case where any Person holding such Offices or Employments, or being entitled unto any Pension or stipend as aforesaid, shall claim to be exempt from such Assessment, the Commissioners shall nevertheless set down in such Assessment the Names of such Persons, and the full and just annual Value of such Offices, Employments, Pensions, or Stipends; and the Claim to such Exemption shall be preferred and examined, and the Merits thereof shall be heard and determined, under the Regulations of this Act with respect to their Assessments.

CLIII. And be it enacted, That where any Office or Employment of Profit chargeable by this Act is or shall be executed by Deputy, such Deputy shall, in all cases where he shall be in the Receipt of the Profits thereof, be answerable for and shall pay such Assessment as shall be charged thereon, and deduct the same out of the Profits of such Office or Employment; and where the Salaries, Fees, Wages, Emoluments, or Profits of any Officer or Officers in any such Office shall be receivable by any One or more of the said Officers for the Use of such Officer, or as a Fund to be divided amongst such Officers in certain Proportions, the Officer or Officers receiving such Salaries, Fees, Wages, Perquisites, or Profits shall be answerable for the Duties charged thereon, and shall pay the same, and deduct the same out of the Funds provided for such respective Offices or employments, before any Division or Apportionment thereof, and in case of Refusal or Non-payment thereof shall be liable to such Distress as by this Act is prescribed against any Person having the Office or Employment, and to all other Remedies and Penalties respectively herein contained.

CLIV. And be it enacted, That the proper Officers, or their respective Deputies, and the Receivers and Paymasters in every public Department of Office, and in every other Office for which Commissioners are hereby intended to be appointed for raising the Duties hereby charged on such Offices respectively, and any Agent by whom any Salaries, Fees, Wages, Perquisites, or Profits shall be payable, shall, upon Request to him made by the Assessors of the said Duties, deliver gratis true Lists or Accounts of all Such Salaries, Fees, Wages, Perquisites and Profits received by him, and belonging to such Officers respectively, and of all Pensions and Stipends payable to them respectively, for the better Guidance of the said Assessors in charging the same; and if the said Assessors shall be dissatisfied with such Accounts it shall be lawful for them to require any Officer whose Office shall not be truly valued in such Account to prepare and produce to them, within the like Period of Time as is limited for the Returns of other Accounts by this Act, a List or Account of the Salaries, Fees, Wages, Perquisites, and Profits of the Office exercised by him, which Returns such Officer shall be obliged to make under the Penalties and Forfeitures contained in this Act for not making other Returns hereby required; and from the Documents and Papers in their respective Offices the said Assessors shall make their Assessment upon the Persons holding such Offices, or entitled unto such Pensions respectively according to the annual Value thereof, and shall, in like Manner as is before directed with respect

THE INDIAN INCOME-TAX ACT

to Assessors for any Parish or Place, bring in their said Assessments to the respective Commissioners for their Allowance, who shall forthwith set their Hands to the same, which Assessments shall be in force for One Year, commencing and payable at the like Periods as the Assessments in Parishes are made payable; and the said respective Commissioners for the Duties on Offices shall, in all Cases where Collectors are authorized to be appointed, cause the like Duplicates to be made thereof, and delivered to Collectors, with like Warrants to collect the said Duties, as are before directed to be given to Collectors for any Parish or Place; and the said Collectors of the said Duties on Offices shall have the like Authority to demand and levy the said Duties as is herein given to Collectors of any Parish or Place: Provided always, that in all Cases where the Duties, and any Salaries, Fees, Wages, Perquisites, or Profits of any public Office shall be detained and stopped out of the same, or out of any Monies which shall be paid thereupon, the respective Commissioners shall cause the like Duplicates to be delivered to the proper Officers in the respective Offices, who shall keep true Accounts of all Monies stopped and detained under the Authority of this Act, and shall be answerable for the same; and the Money so detained of the Duty on Annuities, Pensions, or Stipends shall be accounted for and paid in the Manner herein-after directed.

CLV. And be it enacted, That where any Person having, using, or exercising any Office or Employment of Profit which shall be charged to the Duties by this Act granted thereon, and the said Duties cannot be detained and stopped in the Hands of the proper Officer, or in the Hands of any Agent employed to pay the Monies due in respect of the said Office or Employment, or the same Monies shall have been paid over to the Person having, using, or exercising the said Office or Employment, and such Person shall refuse or neglect to pay the Sum of Money charged upon him, the Commissioners for raising the Duties on the said Offices shall and may, by Writing under their Hands and Seals, certify such Neglect or Refusal, and the Sum payable by virtue of this Act, to the Commissioners for executing this Act, in relation to Lands, Tenements, and Hereditaments, in the Parish or Place where such Officer shall reside; and such last-mentioned Commissioners are hereby authorized and required, upon Receipt of such Certificate, by Warrant under their Hands and Seals, to authorize and empower the respective Collectors of the said Duties, or the Collectors of the Parish or Place where such Officer shall reside, to levy the same, by such Ways and Means as they are authorized to levy the Duties charged by them respectively in pursuance of this Act; and such Collectors are hereby required to execute such Warrant accordingly, and which shall be executed under the like Powers and in like Manner as is herein-after directed, and as if such Officer were

charged to the said Duties in such Parish or Place; and the Monies arising thereby shall be paid to the Collectors charged to the said Duties on such Office or Employment.

CLVI. Provided always, and be it enacted, That no Qualification shall be required of any of the Officers or Persons herein described to be Commissioners for the Duties on Offices, or on Employments of Profit, or on Pensions, Stipends, Annuities, Interests, or Dividends, contained in the said several Schedules, who shall act as such Commissioners by virtue of their several Offices, other than such Offices respectively; any thing herein contained to the contrary notwithstanding.

Officers acting in raising the Duties on Offices liable to Penalties for Default.

CLVII. And be it enacted, That the respective Assessors and Collectors appointed to raise and assess, or levy, collect, and pay, the Sums of Money to be charged on Offices or Employments of Profit, or on Annuities, Pensions, or Stipends payable by Her Majesty by virtue of this Act, and also the Inspectors and Surveyors acting in relation to the said Duties, shall respectively be subject to the Penalties and Forfeitures for refusing or neglecting the Performance of their Duty, or for being guilty of any Fraud or Abuse in executing the same, as are inflicted on such Officers respectively for the like Offences by the said Acts relating to the Duties of Assessed Taxes.

When Duties are to be detained.

CLVIII. Provided always, and be it enacted, That such of the said Duties granted by this Act which may be detained or stopped and deducted out of the Sums in respect whereof they shall be charged or deducted shall be respectively detained at such Times in each Year as the said Sums shall be payable to the Person entitled thereto.

What Deductions shall not be allowed in computing the Duties to be charged under this Act.

CLIX. And be it enacted, That in the Computation of Duty to be made under this Act in any of the Cases before mentioned, either by the Party making or delivering any List or Statment required as aforesaid, or by the respective Assessors or Commissioners, it shall not be lawful to make any other Deductions therefrom than such as are expressly enumerated in this Act, nor to make any Deduction on account of any annual Interest, Annuity, or other annual Payment to be paid to any Person out of any Profits or Gains chargeable by this Act, in regard that a proportionate Part of the Duty so to be charged is allowed to be deducted on making such Payments, nor to make any Deduction from the Profits or Gains arising from any Property herein described, or from any Office or Employment of Profit, on account of Diminution of Capital employed or of Loss sustained in

any Trade, Manufacture, Adventure, or Concern, or in any Profession, Employment, or Vocation.

CLX. And be it enacted, That if any Difference shall arise between Tenant and Landlord, or any other Persons to whom any Interest, Rent, Rent-charge, Annuity, Fee Farm Rent, Rent Service, Quit Rent, Feu Duty, or other Rent or annual Payment shall be payable touching the Sums to be deducted thereout on account of the Duties hereby charged having been paid, or between the Occupier for the Time being and any former Occupier of any Lands, Tenements, Hereditaments, or Heritages, his Executors, Administrators, or Assigns, touching the Proportion of Duty to be paid or allowed by either Party, the respective Commissioners for General Purposes in their several Districts shall have Authority and they are hereby required to settle the Proportions of such Payments and Deductions as shall be according to the Directions of this Act, and in default of Payment to levy the same respectively under the like Powers as they might have levied the same if the Assessment had been made in the same Proportions, and to pay over the same to the Collector or Party, as the Case may require; and the Judgment and Determination of such Commissioners shall be final.

CLXI. And be it enacted, That the several Inspectors and Surveyors appointed or to be appointed shall be and they are hereby empowered respectively to inspect and examine all and every the Returns made by any Person under the Directions of this Act; and in case any of them shall be dissatisfied either with the Returns so made, or the Estimate of the Assessor thereon, or shall discover any Error or Omission in such Estimate, or that any Deduction hath been allowed not authorized by this Act, they shall charge the same, according to the best of their Judgment, in the full Amount at which the same ought to be charged; and the said Inspectors and Surveyors shall also be at liberty respectively to inspect and examine all and every the Assessments of the said Duties, or any of them, made under the Authority of the respective Commissioners before mentioned, as well before as after the Commissioners shall have signed and allowed the said Assessments, and before such Allowance to correct and amend such Assessments, if they shall respectively think fit; and every Person in whose Custody such Returns are is hereby required, upon the Request of any such Inspector or Surveyor as aforesaid, to deliver the same into his Custody, for the Purposes of this Act, taking his Receipt for the same, and every Person in whose Custody any such Assessments shall be is also hereby required, upon the Request of such Inspector or Surveyor as aforesaid, to produce the same, and such Inspector or Surveyor is hereby authorized to take charge of the same until he shall

have taken such Copies of or Extracts from the same as may be necessary for his better Information; and every Person wilfully obstructing such Inspector or Surveyor in the due Performance of his Duty as aforesaid shall forfeit the Sum of Fifty Pounds; and if any such Inspector or Surveyor shall find or discover, upon his Survey or Examination, or otherwise, that any Person, Corporation, Company, or Society who ought to be charged with the said Duties, or any of them, shall have been omitted to be charged therewith, or shall have been under-rated in the Assessment, or that any Person, or the Officer of any Corporation, Company, or Society, liable to the said Duties or any of them, being required so to do, hath neglected or refused to make a Return according to the Directions of this Act, or that the Assessors have neglected to require a Return in any Case where a Return ought to have been required from any Person, Corporation, Company, or Society, according to the Intent of this Act, so that such Person, Corporation, Company, or Society shall not have been fully charged to the said Duties, then and in every such Case the said Surveyor or Inspector shall certify the same in Writing under his Hand, together with an Account of every Default, and the full Amount of the Duty which ought to be paid by way of Surcharge, to the said respective Commissioners for putting in execution this Act in relation to the Duties on which such Surcharge shall be made, in the Manner and under and subject to the Rules and Regulations prescribed and contained in the said Two several recited Acts of the Forty-eighth and fiftieth Years of the Reign of King George the Third, herein-before recited or referred to.

CLXII. And be it enacted, That upon every Surcharge allowed upon
Surcharges, if confirmed, to be in Treble Duty, in certain Cases. Appeal by the said Commissioners, upon the Certificate of the Inspector or Surveyor, as directed by this Act, in Cases where no such Declaration shall have been delivered as in the said recited Act of the Fiftieth Year of the Reign of King George the Third is required, or the Commissioners shall be dissatisfied with the same, the Assessment shall be made in Treble the Rate of Duty prescribed in the said respective Schedules of this Act on the Amount of the Duty surcharged: Provided always, that if upon Appeal such Declaration as aforesaid shall have been delivered, and if the said Commissioners shall be satisfied therewith, and shall be of opinion that there was any reasonable Cause of Controversy on the Part of the Appellant on the Subject Matter of Appeal, and that the Party hath not been guilty of any wilful Default, Neglect, or Omission, nor wilfully done any Act with Intention to defraud the Revenue, it shall be lawful for the said Commissioners who shall have determined the said Appeal, although they shall confirm or allow the Surcharge, or a Part thereof only, at the same Time to remit and strike off the Whole or any Part of the said Treble Duty; and the Overplus

of the Sum so charged above the said Rate or Duty, and which shall not be so remitted or struck off as aforesaid, shall be paid to the Officer for Receipt, to the Use of Her Majesty; which Increase of Duty, made by occasion of such Surcharge, together with the Overplus aforesaid above the said Rate of Duty, and all other Increase of Duty occasioned by the Surcharge of Information of any Inspector or Surveyor under this Act, the Commissioners for executing this Act who shall have confirmed such Surcharge or made such Increase shall at the same Meeting certify under their Hands to the Commissioners of Stamps and Taxes, who shall have Authority, under and subject to such Rules and Regulations as shall have been made by the Commissioners of Her Majesty's Treasury in that Behalf, to direct the said Officer for Receipt to pay to the said Inspector or Surveyor, out of the increased Duty and Overplus aforesaid, such Sum of Money as shall appear to the said Commissioners of Stamps and Taxes to be an adequate Reward for the Labour and Diligence of the said Inspector or Surveyor.

CLXIII. Provided always, and be it enacted, That any Person charged or chargeable to the Duties granted by this Act, either by Assessment, or by way of Deduction from any Rent, Annuity, Interest, or other annual Payment to which he may be entitled, who shall prove before the Commissioners for General Purposes, in the Manner herein-after mentioned, that the aggregate annual Amount of his Income, estimated according to the several Rules and Directions of this Act, is less than One hundred and fifty Pounds, shall be exempted from the said Duties, and shall be entitled to be repaid the Amount of all Deductions or Payments on account thereof in the Manner herein-after directed, except so much of such Duties as the Person claiming such Exemption shall or may be entitled to charge against any other Person, or, to deduct or retain from or out of any Payment to which such Claimant may be or become liable; and such Exemption shall be claimed and proved, and the Proceedings thereupon shall be had, before the Commissioners for General Purposes in the District where the Claimant shall reside, pursuant to and under the Powers and Provisions by which the Duties in Schedule (D.) are herein directed to be ascertained and charged, but nevertheless subject to the Rules and Directions herein-after contained.

CLXIV. And be it enacted, That every Person claiming to be entitled to such Exemption as last aforesaid shall, within the Time to be limited as herein-before directed for delivering in the Lists, Declarations, and Statements required by this Act (or within such further Time as the said Commissioners shall for special Cause assigned allow), deliver or cause to be delivered to the Assessor of the Parish or Place where such Claimant shall reside a Notice of his Claim for such Exemp-

Mode of claiming Exemption, and of proceeding on such Claim.

tion, together with a Declaration and Statement, signed by such Claimant, and in such Form as may be provided under the Authority of this Act, declaring and setting forth therein all the particular Sources from whence the Income of such Claimant shall arise, and the particular Amount arising from each Source, and also every Sum of annual Interest or other annual Payment reserved or charged thereon, whereby the Income shall or may be diminished, and also every Sum which such Claimant may have charged or may be entitled to charge against any other Person for or on account of the Duty made payable by this Act, or which he may have deducted or retained, or may be entitled to deduct or retain, under the Authority of this Act, from or out of any Payment to which he may be or become liable; which Declaration and Statement every Inspector or Surveyor shall be at liberty to peruse and examine, and to take Copies of or Extracts from, under the like Powers as in other Cases; and in every Case where such Claim for Exemption shall be made in manner aforesaid the Assessor shall transmit such Notice, Declaration, and Statement to the said Commissioners; and if the Inspector or Surveyor shall not object to such Declaration within Forty Days after such Transmission, or within such further Time as the Commissioners, on just Cause, shall allow to him to make such Objection, it shall be lawful for the said Commissioners to allow such Claim of Exemption, and to discharge the Assessment made upon any Property or Profits of such Person, either in his own Name or in the Name of his Lessee or Tenant, within the District or the said Commissioners; and if it shall appear that any Property or Profits of such Person is or are assessed or liable to be assessed in any other District, the said Commissioners shall certify to the Commissioners of Stamps and Taxes, in such Form as shall be provided under the Authority of this Act, the Allowance of such Exemption; and the said last-mentioned Commissioners shall direct the Assessment made upon any Property or Profits of such Claimant, either in his own Name or in the Name of his Lessee or Tenant, in any other District, to be discharged, and the same shall be discharged accordingly:

If Inspector or Surveyor object to the Claim, the same to be determined by the Commissioners for General Purposes.

Provided always, that in case the Inspector or Surveyor shall object to any such Claim as aforesaid in Writing, suggesting to the said Additional Commissioners that he hath Reason to believe that the Income of such Claimant, or any other Particular required by this Act to be declared or set forth in such Declaration and Statement as aforesaid, is not truly or fully declared or set forth therein in any specified Particular, then and in such Case the Merits of such Claim for Exemption shall be heard and determined upon Appeal before the Commissioners for General Purposes, under and subject to such Rules, Regulations, and Penalties as other Appeals under this Act are directed to be heard and determined, and if such Claim shall be allowed on Appeal as aforesaid the said Commissioners for General

Purposes shall grant and issue all necessary Certificates consequent thereon.

CLXV. Provided always, and be it enacted, That if it shall be

On Proof that Persons entitled to Exemption have been charged Duties by Deduction from any Annuity, Dividend, Rent &c., Commissioners to grant a Certificate thereof, which shall authorize the Collector or Receiver to repay the Amount of such Duties.

proved to the Satisfaction of the Commissioners for General Purposes that any Person whose Claim for Exemption has been allowed in manner aforesaid has been charged to and has paid any of the Duties hereby granted, by way of Deduction from any Rent, Annuity, Interest, or other annual Payment to which he may be entitled, and from which a Deduction is authorized to be made

by this Act, or that such Person has been assessed and has paid such Duties in respect of any Annuity, Dividend, Pension, or Stipend payable to him out of the public Revenue of the United Kingdom, then and in such Case it shall be lawful for the said Commissioners for General Purposes to certify what shall have been so proved before them to the Commissioners for Special Purposes at the Head Office for Stamps and Taxes in England by a Certificate in such Form as shall be provided under the Authority of this Act, specifying and describing the Amount and the particular Nature of the Payment out of which and the Name and Place of Abode of the Person by whom such Deduction as aforesaid shall have been made, and specifying also the Amount and Description of the Annuity, Dividend, Pension, or Stipend in respect of which such Claimant has been assessed, and the Duties whereon he has paid; and thereupon the said last-mentioned Commissioners shall issue to such Claimant an Order for the Repayment to him of the Amount of the Duties certified to have been paid as aforesaid, and such Order shall be directed to the Receiver General of Stamps and Taxes, or to an Officer for Receipt or Collector of the Duties granted by this Act, or to a Distributor or Sub-Distributor of Stamps, and shall authorize and require the Repayment of the said Duties, in like Manner as is herein-before provided with respect to the Allowances to be granted under No. V. of Schedule (A.) of this Act.

CLXVI. And be it enacted, That if any Person shall be guilty of

Penalty for making fraudulent Claims of Exemption.

any Fraud or Contrivance in making any such Claim, or in obtaining any such Exemption or any such Certificate as aforesaid, or shall fraudulently conceal or untruly declare any Income or Amount of Income, or any Sum which he may have charged or been entitled under the Authority of this Act to charge against any other Person or which he may have deducted or retained, or have been or be entitled as aforesaid to deduct or retain, from or out of any Payment to which such Person claiming Exemption as aforesaid may be or become liable, or if any such Person shall fraudulently make a Second Claim for the same Cause, every

such Person so offending in any of the Cases aforesaid shall forfeit the Sum of Twenty Pounds, and Treble the Duty chargeable in respect of all the Sources of his Income, and as if such Claim had not been allowed; and if any Person shall knowingly and wilfully aid, abet, or assist any such Person in committing any such Fraud as aforesaid, the Person so aiding, abetting, or assisting shall forfeit the Sum of Fifty Pounds.

CLXVII. And be it enacted, That the annual Value of Lands, Tenements, Hereditaments, or Heritages, belonging to or in the Occupation of any Person claiming the said Exemption shall be estimated, for the Purpose of ascertaining his Title to such Exemption, according to the Rules and Directions contained in the said several Schedules (A.) and (B) respectively; and that the Income arising from the Occupation by such Claimant of Lands, Tenements, Hereditaments, or Heritages chargeable under the said Schedule (B.) shall be deemed for the Purpose aforesaid to be equal in England to One Half and in Scotland to One Third of the full annual Value thereof, estimated according to the said Rules and Directions; and where such Claimant shall be the Proprietor as well as the Occupier of any such Lands, Tenements, Hereditaments or Heritages, the Amount deemed by this Act as aforesaid to be the Income arising from the Occupation of such Lands, Tenements, Hereditaments, or Heritages shall be added to the Amount of the full annual Value thereof, and the aggregate Amount shall be deemed for the Purpose aforesaid to be the Income of such Claimant arising from the Lands, Tenements, Hereditaments, or Heritages of which he shall be Proprietor and Occupier as aforesaid; and the Income arising from any Lease of or Composition for Tithes shall be deemed, for the Purpose aforesaid, to be equal to One Fourth of the full annual Value of such Tithes, estimated in manner aforesaid.

CLXVIII. And be it enacted, That Coparceners, Joint Tenants or Joint Tenants, &c., may severally claim Abatement. Tenants in Common of the Profits of any Property whatever, and any Joint Tenants or Tenants of Lands or Tenements in Partnership, being in the actual and joint Occupation thereof in Partnership, and entitled to the Profits thereof in Shares, and personally labouring therein, or managing the same, and any Partners carrying on Trade or exercising any Profession together, and entitled to the Profits thereof in Shares, and personally acting therein, may severally claim such Exemption according to their respective Shares and Interests in the Manner before directed; and such Claims, being duly proved to the Satisfaction of the Commissioners to whom the same are made, may be proceeded upon as in the cases of several Interests: Provided always, that the Profits so arising shall not in any Case be charged separately to the Duty in respect of the Occupation of Lands, where Lands shall be let or under-let,

without relinquishing the Possession by the Lessor, or where the Lessee or Tenant shall not be exclusively in the Possession and Occupation of the Lands so let.

CLXIX. Provided always, and be it enacted, That every such Claim for Exemption shall be made to the Commissioners of the District where the Claimant shall reside, whether such Claimant shall be personally charged in such District or not, except where the whole Income of the Claimant shall arise from an Office or Employment of Profit the Duties whereon are cognizable before the Commissioners of a Department of Office, or from a Pension or Stipend, in all which Cases the Claim may be made to and allowed by the Commissioners of such Department wherein the said Duties are cognizable under the Regulations of this Act; and if such Claimant shall be out of Great Britain, an Affidavit, stating the several Matters required by this Act, taken before any Person having Authority to administer an Oath in the Place where such Claimant shall reside in any Matter relating to any Part of the public Revenue of Great Britain, may be received by the respective Commissioners for executing this Act in relation to the Assessment on which such Claim shall be founded.

CLXX. And be it enacted, That any such Claim for Exemption may be made by any Guardian, Trustee, Attorney, Agent, or Factor, on account of others, in any Case where satisfactory Proof shall be made that the Party claiming such Exemption is unable to attend in Person, or such Claim may be made by the several Persons acting in any of the Characters herein-before described, in such Manner as they may act for others, for the Purpose of being assessed on their Account in the first instance, as herein-before directed.

CLXXI. And be it enacted, That whenever any Person shall have been assessed to any of the Duties granted by this Act, whether charged on him on his own Account, or in any of the Characters herein-before described on the Behalf of any other Person, and shall, by any Error or Mistake, be again assessed for the same Cause, and on the same Account, and for the same Year, it shall be lawful for him to apply to the Commissioners for General Purposes acting for the Division or Place for which he shall have been so assessed by Error or Mistake as aforesaid, for the Purpose of being relieved from such Double Assessment, and the said Commissioners, on due Proof thereof to their Satisfaction, shall cause such Assessment, or such Part thereof as shall be a Double Charge as aforesaid, to be vacated, and which Proof may be either by a Certificate of the Assessment made on

the Party, under the Hands of the Commissioners by whom he shall have been rightly assessed according to the Directions of this Act for the Matter or Cause in question, certifying that such Matter or Cause is included in an Assessment made by them on the same Party, on the same Account, and for the same Year, or by other lawful Evidence given of those Facts on the Oath of any credible witness; and whenever it shall be proved to the Satisfaction of the Commissioners of Stamps and Taxes that any such Double Assessment as aforesaid hath been made, and hath not been vacated, and that Payment hath been made of both Assessments, it shall be lawful for the said Commissioners of Stamps and Taxes to order and direct the Receiver General of Stamps and Taxes, or any Officer for Receipt, to repay to the Party the Sum so erroneously and doubly assessed upon him, and paid as aforesaid.

CLXXII. And be it enacted, That the respective Commissioners executing this Act in relation to any of the Duties hereby granted shall, within One Calendar Month after the First Day of hearing Appeals, all Appeals then made being first determined, issue out and deliver to the respective Collectors Duplicates of the Assessments of the aforesaid Duties charged at the respective Rates mentioned in the respective Schedules of this Act, together with their Warrants, as directed by the said several Acts relating to the Duties of Assessed Taxes for the speedy and effectual levying and collecting of the said Duties assessed under this Act, as the same shall become payable, by quarterly Instalments, as herein directed, distinguishing the Amount charged under each of the said Schedules: Provided always, that all such Duties as shall be assessed or charged under any of the Provisions of this Act, if not paid, levied, or collected according to the Directions herein mentioned, shall be recoverable as a Debt to the Queen's Majesty, with full Costs of Suit, and all Charges and Expences attending the same; and when so recovered the said Duties shall be paid to the proper Officer for Receipt, in aid of the Parish or Place answerable for the same.

CLXXIII. And be it enacted, That where any Person chargeable with the Duties hereby made payable as aforesaid shall be under the Age of Twenty-one Years, or where any Person so chargeable shall die, in every such Case the Parents, Guardians, or Tutors of such Infant, upon default of Payment by him, and the Executors and Administrators of the Person so dying, shall be and are hereby made liable to and charged with the Payments which the said Infant ought to have made, or the Person so dying was chargeable with; and if such Parents, Guardians, or Tutors, or such Executors, or Administrators, shall neglect or refuse to pay as aforesaid, it shall be lawful to proceed against them in like Manner as against any other Person making default of Payment of the said Duties;

and all Parents, Guardians, or Tutors making Payment as aforesaid shall be allowed every Sum paid for such Infants in their Accounts, and all Executors and Administrators shall be allowed to deduct all such Payments out of the Assets of the Person so dying.

CLXXIV. And be it enacted, That in England the Parish or Place in which any Assessment shall have been made of the Duties granted by this Act under any of the Schedules marked respectively (A.), (B.), or (D.) shall be answerable for the Amount of the Duties which shall have been so charged in such Parish or Place, and for the said Duties being duly demanded of the respective Persons charged therewith, according to the Regulations contained in the said Acts relating to the Duties of Assessed Taxes, by the Collector appointed for such Parish or Place, and also for such Collector duly paying the Sums by him received to the proper Officer for Receipt of the said Duties, according to such Regulations; and any of the Arrears of the said Duties by this Act granted, caused by or arising from any Neglect, Default, or Failure of any Collector for which any Parish or place shall be answerable as aforesaid, shall be assessed within or upon such Parish or Place as soon after such Default shall be discovered as conveniently can be done, and shall be charged on the Amount of the Assessment which shall be made for the same Duties in the Year commencing from the Fifth Day of April preceding the Time of making such Re-assessment, by duly apportioning the Amount of such Arrear amongst the several Persons assessed in that Year in the Assessment of the same Duties on which such Arrear shall have accrued, according to the Amount of each Person's Assessment therein, as nearly as the Case will admit, and by the like Rules, Methods, and Directions by which the original Assessment was made, to be raised and levied in such Manner as any Assessment may be by virtue of this Act raised and levied under the Regulations of the said Acts respectively.

Parish to be answerable for Collectors in England.

Arrears to be re-assessed.

CLXXV. And be it enacted, That if it shall happen that this Act shall not be executed previous to the Time appointed for the Payment of the first or any subsequent Instalment of the said Duties, or within the Year of Assessment, it shall be lawful for the Commissioners executing this Act who shall have made or allowed any Assessment after the Period appointed for any such Payment which they are hereby declared to be competent to do, from Time to Time, when and as the same shall be necessary, to settle and adjust at what Time and in what Proportions any Instalment of which the Time for Payment shall then have elapsed shall be paid, in such Manner as to them shall appear just and reasonable, Regard being had to the Number of Days appointed for the Payment of Instalments then

Commissioners to adjust Times of Payment, if the appointed Days are elapsed; and Sums to be paid, not less than the Amount of Two Instalments on each Day.

to come (if any) in the Year of making the Assessment; provided that ~~on or~~ before every quarterly Day of Payment as herein mentioned after the making of such Assessment in the same or any subsequent Year the said Commissioners shall direct at least the Amount of Two quarterly Payments to be made, until all arrears, either for that or any former or subsequent Year, shall have been completed.

CLXXVI. And be it enacted, That every Assessment to be made Assessments to before One Year, Payable by Four Instalments. under this Act within the Year appointed for making the same shall be deemed to be for the current Year, and shall be in force for such Year; and every Assessment made after the Expiration of any Year in which the same ought to have been made shall be deemed to be for the whole of the Year current when the Assessment ought to have been made, and such Year shall commence from the Fifth Day of April One thousand eight hundred and forty-two, for the first Assessment, and for every subsequent Assessment during the continuance of this Act from the Fifth Day of April in such Year; and the said Duties which shall be charged in England, except where the same shall be detained and stopped at the respective Offices, shall be payable in each Year by Four quarterly Instalments at the Times following; *videlicet*, on or before the Twentieth Day of June for the first quarterly Instalment, on or before the Twentieth Day of September for the second quarterly Instalment, on or before the Twentieth Day of December for the third quarterly Instalment, and on or before the Twentieth Day of March for the last quarterly Instalment, in each Year; and in Scotland, the said Duties shall be payable by Two half-yearly Instalments; *videlicet*, on or before the Twentieth Day of September for the first half-yearly Instalment, and on or before the Twentieth Day of March for the last half-yearly Instalment; the Payment thereof for the first Assessment to be regulated as to the Proportion of the Sums and Times of Payment by the respective Commissioners pursuant to the Directions herein contained.

CLXXVII. And be it enacted, That if any Person shall come into any Parish or Place wherein such Person shall not have been before charged to the said Duties contained in any of the said Schedules for the same Year, the Assessor or Collector, or any Inspector or Surveyor, shall give or leave Notice in Writing to or for such Person to make out and deliver, within Fourteen Days next ensuing the Day of giving such Notice, a Declaration in Writing, signed by him with his own proper Name, which shall specify the Name of the Parish or Place and County wherein such Person shall have been assessed as aforesaid for such Year, and also to produce the Certificate of such Assessment, or in default thereof to deliver a Statement for the Purpose of being assessed in such Parish or Place; and if any such

If Persons come to reside in any Parish in which they have not been before charged the Assessor to give them Notice to declare where they were charged, or to deliver a Statement, for the Purpose of being assessed.

Person as aforesaid shall neglect or refuse to make out and sign and deliver such Declaration or Statement as aforesaid, within the Time before mentioned, or shall make any false or untrue Return therein in any Particular

Penalty on Persons neglecting to deliver such Statement.

thereof, he shall forfeit a Sum not exceeding Twenty Pounds; and when in any Case it shall not appear in the Assessment of any Parish or Place

for that Year that any Person residing or being therein shall have been assessed to the said Duties in the same Parish or Place, then and in such Case it shall be lawful for the respective Commissioners acting for the said District and they are hereby required to proceed in manner before directed to assess such Person to the said several Duties, in like Manner in every respect as if such Person had been resident in such Parish or Place at the Time of the Publication of Notices as directed by this Act, unless such Person shall prove to their Satisfaction that he hath been duly charged in some other Parish or Place, and hath paid or satisfied the Duties so charged;

Persons removing out of a Parish or Place, without first discharging the Assessment, or not leaving sufficient Goods to satisfy the Arrear, subject to Penalty.

and if any Person, before or after Notice given to return a Statement as aforesaid, shall remove out of such Parish or Place without returning such Statement, or before an Assessment shall be made on him, with intent to evade an assessment, or if any Person being assessed to the said Duties shall remove out of the Parish or Place where he shall

have been assessed to the said Duties without first paying or discharging all the said Duties charged upon him which shall then be due and payable, or without leaving in such Parish or Place sufficient Goods and Chattels whereon the said Duties in arrear may be raised and levied, and the same shall remain in arrear and unpaid for the Space of Twenty Days after the Time appointed by this Act for Payment thereof, every such Person shall forfeit (over and above the said Duties so left unpaid as aforesaid) the

Arrears to be levied by Distress in the District where the Party resides; and if not so levied or collected, to be recovered as a Debt to Her Majesty.

Sum of Twenty Pounds; and in every such Case, and also in every Case where any Person shall reside in any other Parish or Place than that in which the Assessment or Charge shall be made on him in pursuance of this Act, and the same shall be in arrear and unsatisfied in the whole or in part,

it shall be lawful for the Commissioners of the District in which such Assessment or Charge shall have been made to certify to the Commissioners of the District within which such Person shall reside the Amount of the Assessment or Charge made upon such Person, and remaining in arrear and unpaid as aforesaid, and such last-mentioned Commissioners shall thereupon cause the whole of the Duty so remaining in arrear and unpaid as aforesaid to be raised and levied, by and under their Warrant, together with the Costs and Charges attending the same; provided that if no such Certificate and Warrant as aforesaid shall be made and issued, or the whole of such Arrear of Duty, and Costs and Charges, as aforesaid, shall not be levied or

collected in manner aforesaid, the same shall be recoverable as a Debt to Her Majesty, together with full Costs of Suit, and all Charges and Expenses attending the same.

CLXXVIII. And be it enacted, That if any Person who ought to be charged as directed by this Act shall, by fraudulently changing or having changed his Place of Residence, or by fraudulently converting or having converted his Property, or any Part thereof, or by fraudulently releasing, assigning, or conveying, or having fraudulently released, assigned, or conveyed, the same, or any Part thereof, or by making and delivering any such Statement or Schedule as aforesaid which shall be false or fraudulent, or having any Property chargeable as aforesaid, shall fraudulently convert or shall have fraudulently converted the same, or any Part thereof, by altering or having altered any Security with relation to such Property, or by fraudulently rendering or having rendered the same, or any Part thereof, temporarily unproductive, in order that such Person may not be charged for the same, or any Part thereof, or by any Falsehood, wilful Neglect, Fraud, Covin, Art, or Contrivance whatsoever, used or practised, shall not be charged and assessed according to the true Intent and Meaning of this Act, every such Person shall, on Proof thereof before the said respective Commissioners for General Purposes acting for the District wherein such Person shall be chargeable, be charged and assessed Treble the Amount of the Charge which ought to have been made on such Person if no such Charge shall have been made; and if any such Charge shall have been made which shall be less than the Charge which ought to have been made on such person, then such Person shall be assessed and charged, over and above such former Charge, Treble the Amount of the Difference between the Sum with which such Person shall have been charged and the Sum with which he ought to have been charged, to be added to such Assessment, and applied as in other Cases as aforesaid.

CLXXIX. And be it enacted, That no Receipt, Certificate of Payment, Contract of Composition, Affidavit, Appraisal, Receipts, &c., exempted from Stamp Duty. Payment, or Valuation, made or given in pursuance and for the Purposes of this Act, shall be liable to any Stamp Duty.

CLXXX. And be it enacted, That if any Person, upon any Examination on Oath or affirmation, or in any affidavit, Deposition, or Affirmation authorized by this Act, shall wilfully and corruptly give false Evidence, or shall wilfully and corruptly swear or affirm any Matter or Thing which shall be false or untrue, every such Person so offending, and being thereof duly convicted, shall be subject and liable to such Pains and Penalties as by the Laws in force Persons convicted of

wilful and corrupt Perjury are subject and liable to; and any Indictment

Indictments may be or Information for Perjury committed in any such
 tried in the county where the Affidavit was exhibited. Affidavit, Deposition, or Affirmation as aforesaid, whether the same shall be taken or made within

Great Britain or without, shall and may be laid, tried, and determined in the County where such Affidavit, Deposition, or Affirmation shall be exhibited to the Commissioners in pursuance of this Act.

CLXXXI. And be it enacted, That if any Person shall forge, counter-

Punishment of Persons
 guilty of forging or
 altering Certificates or
 Receipts given under this
 Act.

feit, or alter, or cause or procure to be forged, counterfeited, or altered, or knowingly or willfully act or assist in forging, counterfeiting, or altering, any Certificate of the Commissioners of

Stamps and Taxes, or of any other Commissioners acting in the Execution of this Act, or any Certificate or Receipt which the Cashier of the Bank of England, or the Receiver General of Stamps and Taxes, or any Officer for Receipt, is by this Act authorized to give on the Receipt of any Money payable under this Act, or shall utter any such forged, counterfeited, or altered Certificate or Receipt as aforesaid, with Intent to defraud Her Majesty, or any Body Politic or Corporate, or any Person Whomsoever, every Person so offending, and being thereof lawfully convicted, shall be adjudged guilty of Felony, and shall be transported for a Term not exceeding Fourteen Years.

CLXXXII. And be it enacted, That if, upon the Trial of any

Prescribing the Evi-
 dence to be received in
 Court of Persons being
 Commissioners or Of-
 ficers.

Indictment, Information, Suit, or Prosecution whatsoever, or in any Proceeding relative thereto, under and by virtue of this Act or the said Acts herein-before recited or referred to, or for any

thing done in pursuance of this Act, or for any Offence committed against this Act, or in any Matter arising out of this Act, or on Occasion thereof, any Question shall arise whether any Person be or have been or was a Commissioner or Officer of or for the said Duties hereby granted, or commissioned or appointed to act as such, then and in every such Case Proof may be made and admitted that such Person was reputed to be or had acted as such Commissioner or Officer, or acted under such Commission or Appointment, at the Time respectively when the Act, Matter, or Thing in controversy upon such Trial or other Proceeding shall happen to have been done or committed, or omitted to have been done or performed, without producing or proving the particular Commission, Appointment, Nomination, or other Authority whereby such Commissioner or Officer was constituted and appointed; and that in every such Case such Proof shall be deemed and taken, by all Judges, Justices, or Commissioners before whom any such Trial or Proceeding shall be had, to be good and legal Evidence, unless by other Evidence the contrary shall be made to appear; any Law or Usage to the contrary thereof notwithstanding.

CLXXXIII. And be it enacted, That the several Assessors and Collectors shall have Three-pence in the Pound for what Money of the several Duties by this Act granted the several Collectors shall pay to the proper Officer for Receipt, to be divided in each separate Collection between the said Assessors and Collectors in equal Proportion; and for the careful writing and transcribing the said Assessments, Warrants, Estreats, and Duplicates in due Time, and for the due, speedy, and effectual executing all Matters and Things directed to be performed under the said Commissioners, and for the bearing and sustaining all incidental Expences attending the Execution of this Act, under the Direction of the said respective Commissioners in their several Districts, the Clerk of the respective Commissioners, who shall perform the Duties of his Office within the respective Times limited by this Act, and shall have borne and sustained such incidental Expences, shall, by Warrant under the Hands of the said Commissioners, have and receive from the respective Officers for Receipt Two-pence in the Pound of all such Monies of the said several Duties as shall be assessed in or by virtue of such Warrants or Certificates; and the Clerk who shall not have borne and sustained such incidental Expences shall, by like Warrant, have and receive One Penny in the Pound of all such Monies as aforesaid, provided this Act be carried into execution in due Time and in an effectual Manner for the District in which he shall be appointed the Clerk, and all Warrants or Estreats be made, and the Duplicates be delivered to the proper Officer for Receipt, and into the Head Office for Stamps and Taxes as aforesaid, within the Times limited by this Act, and not otherwise; and no Person shall under any Pretence whatever be entitled to any Part of the Reward hereby given to such Clerk, except the Assistant (if any) to such Clerk, whose Compensation shall be apportioned and settled by the respective Commissioners; nor shall such Clerk, under any Pretence whatever, demand, take, or receive any Fee, Gratuity, or Perquisite, for any Matter or Thing to be done by him by virtue and under the Authority of this Act, from any person, other than the proper Officer for Receipt, in manner aforesaid: Provided always, that no such Compensation shall be made to any Assessor or Collector, in respect of any Sum detained or stopped under the Authority of this Act, or paid into the Bank of England, or in respect of any Sums paid by the respective Parties into the said Bank, nor to any Receiver, nor to any of the Persons or Corporations intrusted with the Payment of Annuities, Dividends, and Shares paid out of any public Revenue of Great Britain, or elsewhere, as aforesaid, other than such Sum as shall be directed to be paid to such Collectors, Receivers, Corporations, or Persons aforesaid by the Warrant of the Commissioners of Her Majesty's Treasury, for their Pains and Care in executing this Act:

Further Allowance to Clerk, Provided also, that it shall be lawful for the said Commissioners of Her Majesty's Treasury to

cause such further Allowance to be made to such Clerk as aforesaid, who shall have faithfully performed his Duty under this Act, and shall have borne and sustained such incidental Expences as aforesaid, of any Sum, not exceeding One Penny in the Pound on the Amount of such Part of the gross Assessment as shall have been discharged on occasion of Claims for Exemption made and allowed under this Act on the Ground of Income, as they shall, on Consideration of the Extent and Population of the District and the Number of such Claims, think proper to direct, and the Certificate of the Commissioners of Stamps and Taxes shall be an Authority to the Officers for Receipt respectively to pay such further Allowance.

CLXXXIV. Provided always, and be it enacted, That no Neglect or Omission to pay, within any limited Period the Duties assessed under the Authority of this Act in respect of any House or other Building, shall prevent any Person from being admitted or retained on the Register or List of Persons entitled to vote in the Election of a Member or Members to serve in Parliament for any City or Borough, or from voting at any such Election.

CLXXXV. And be it enacted, That all pecuniary Penalties imposed by this Act shall and may be sued for, recovered, and applied in such Manner and Form as is directed in regard to the pecuniary Penalties imposed by the said Acts respectively passed in the Forty-third Year of the Reign of King George the Third relating to the Duties of Assessed Taxes the Regulations whereof are hereby made applicable to the Duties granted and the Penalties imposed by this Act; and that in any Action, Suit, or Proceeding, by or on the Behalf of Her Majesty, for the Recovery of any such Duties or Penalties respectively granted or imposed by this Act, such Duties and Penalties respectively shall be recoverable with full Costs of Suit, and all Charges and Expences attending the same: Provided always, that wherever by this Act any increased Rate of Duty is imposed as a Penalty, or as Part of or in addition to any Penalty, every such Penalty and all such increased Rate of Duty may be added to the Assessment, and be collected and levied in like Manner as any Duties included in such Assessment may be collected and levied.

CLXXXVI. And be it enacted, That all Monies arising from the Duties hereby granted (the necessary Charges of raising and accounting for the same excepted) shall be paid into the Bank of England to the Credit of an Account, in the Name of the Receiver General of Stamps and Taxes, to be opened and kept for that Purpose, distinct and apart from all other Monies, and shall be trans-

ferred to the Credit of Her Majesty's Exchequer, in such Manner, at such Times, and under such Authority, Rules, and Regulations, as are or may be appointed or made with regard to any other Monies arising from Duties under the Care or Management of the Commissioners of Stamps and Taxes: Provided always, that out of the Monies from Time to Time to arise from the said Duties it shall be lawful for the Commissioners of Her Majesty's Treasury to settle and discharge incidental Expences, appoint such Salaries and Allowances for the Service, Pains, and Labour of the Commissioners for Special Purposes, Inspectors, Surveyors, and other Officers to be employed in the Execution of this Act, and otherwise in relation thereto, and also to discharge such incident Charges and Expenses attending the Execution of this Act, as the said Commissioners of Her Majesty's Treasury shall think fit and reasonable in that Behalf.

CLXXXVII. And be it enacted, That no Letters Patent granted by Her Majesty or any of Her Royal Progenitors, or to be granted by Her Majesty, to any Person, City, Borough, or Town Corporate within this Realm, of any Manner of Liberties, Privileges, or Exemptions from Subsidies, Tolls, Taxes, Assessments, or Aids, nor any Statute granting any Salary, Annuity, or Pension, to any Person free of any Taxes, Deductions, or Assessments, shall be construed or taken to exempt any Person, City, Borough, or Town Corporate, or any of the Inhabitants of the same, from the Burden and Charges of any of the Duties granted by this Act; and all non obstantes in such Statutes or Letters Patent made or to be made in bar of this Act are hereby declared to be void and of none Effect; any such Statutes, Letters Patent, Grants, or Charters, or any Clause of non obstante, or other Matter or Thing therein contained, or any Law or Statute, to the contrary notwithstanding.

CLXXXVIII. And be it enacted, That every Provision in this Act contained, and applied to the Duties in any particular Schedule, which shall also be applicable to the Duties in any other Schedule, and not repugnant to the Provisions for charging, ascertaining, or levying the Duties in such other Schedule, shall, in charging, ascertaining, and levying the same, be applied as fully and effectually as if the Application thereof had been so expressly and particularly directed; any thing herein contained to the contrary notwithstanding.

CLXXXIX. And be it enacted, That the Schedule herein-after mentioned, marked (F.), shall be deemed a Part of this Act, as if the same had been inserted under a special Enactment; provided that the several Oaths therein mentioned

shall be deemed and understood and taken to refer only to the Duties contained in Schedule (D.), as aforesaid.

SCHEDULE (F.).

Form of an Oath or Affirmation to be taken by the Commissioners for the Purposes of this Act, and by Additional Commissioners, and Commissioners for Special Purposes, acting in the Execution thereof, in respect of the Duties contained in Schedule (D.).

I A.B. do swear [or affirm, as the Case may be], That I will truly, Oath to be taken by Commissioners acting in respect of the Duties contained in Schedule (D.). 'faithfully, impartially, and honestly, according to the best of my Skill and Knowledge, execute the Powers and Authorities vested in me by an Act passed in the Year of the Reign of Queen Victoria, intituled [here set forth the Title of this Act], and that I will exercise the Powers intrusted to me by the said Act in such Manner only as shall appear to me necessary for the due Execution of the same; and that I will judge and determine upon all Matters and Things which shall be brought before me under the said Act without Favour, Affection, or Malice; and that I will not disclose any Particular contained in any Schedule or Statement delivered with respect to any Duties charged under the Provisions and Regulations relating to Schedule (D.), of the said Act, or any Evidence or Answer given by any Person who shall be examined, or shall make Affidavit, Deposition, or Affirmation respecting the same, in pursuance of the said Act, excepting in such Cases and to such Persons only who shall be sworn to the due Execution of this Act, and where it shall be necessary to disclose the same for the Purposes of the said Act, or to the Commissioners of Stamps and Taxes, or in order to or in the course of a Prosecution for Perjury committed in such Examination, Affidavit, Deposition, or Affirmation.

'So help me GOD.'

Form of Oath or Affirmation to be taken by Inspectors and Surveyors as aforesaid.

I A.B. do swear [or affirm], That in the Execution of an Act passed in the Year of the Reign of Queen Victoria, intituled [here set forth the Title of this Act], I will examine and revise all Statements, Schedules, and Declarations delivered within my District, and in objecting to the same I will act according to the best of my Information and Knowledge, and that I will conduct myself without Favour, Affection, or Malice, and that I will exercise the Powers intrusted to me by the said Act in such Manner only as shall appear to me to be necessary for the due Execution of the same, or as I shall be directed by the Commissioners of Stamps and Taxes, or any Two or more of them; and that I will

'not disclose any Particular contained in any Statement or Schedule, with respect to any Duties charged under the Provisions and Regulations relating to Schedule (D.) of the said Act, or any Evidence or Answer given by any Person who shall be examined, or shall make Affidavit, Deposition, or Affirmation respecting the same, in pursuance of the said Act, except in such Cases and to such Persons only who shall be sworn to the due Execution of the said Act, and where it shall be necessary to disclose the same for the Purposes of the said Act, or to the Commissioners of Stamps and Taxes, or in order to or in the course of a Prosecution for Perjury committed in such Examination, Affidavit, Deposition, or Affirmation.

'So help me GOD.'

Form of Oath or Affirmation to be taken by Assessors as aforesaid.

'I A.B. do swear [or Affirm], That in the Execution of an Act passed
Assessor's Oath. 'in the Year of the Reign of Queen
'Victoria, intituled An Act [here set forth the
'Title of this Act], I will in all respects act diligently and honestly, and
'without Favour or Affection, to the best of my Knowledge and Belief,
'and that I will not disclose any Particular contained in any Statement
'or Schedule delivered to me in the Execution of the said Act, with
'respect to any Duties charged under the Provisions and Regulations
'relating to Schedule (D.) of the said Act, except in such Cases and to
'such Persons only who shall be sworn to the due Execution of the said
'Act, and where it shall be necessary to disclose the same for the Purposes
'of the said Act, or in order to or in the course of a Prosecution for
'Perjury committed in any Matter relating to such Statement or Schedule.

'So help me GOD.'

Form of Oath or Affirmation to be taken by the Collectors and
Officers for Receipt.

'I A.B. do swear [or affirm], That in the Execution of an Act passed
Oath for Collectors and 'in the Year of the Reign of Queen
Officers for Receipt. 'Victoria, intituled An Act [here set forth the
'Title of this Act], I will not disclose any
'Assessment or the Amount of any Sum paid or to be paid by any
'Individual under the said Act, or the Books of Assessment which shall
'be delivered to me in the Execution of the said Act, with respect to any
'Duties charged under the Provisions and Regulations relating to
'Schedule (D.) of the said Act, except in such Cases and to such Persons
'only who shall be sworn to the due Execution of the said Act, and where
'it shall be necessary to disclose the same for the Purposes of the said
'Act, or to the Commissioners of Stamps and Taxes, or in order to or

'in the course of a Prosecution for Perjury committed in relation to the said Duties.

'So help me GOD.'

Form of Oath or Affirmation to be taken by a Clerk or Clerk's Assistant to the Commissioners aforesaid.

'I A.B. do swear [or affirm], That I will diligently and faithfully
Clerk's Oath. 'execute the Office of a Clerk [or Assistant Clerk,
'as the Case may be], according to an Act

'passed in the Year of the Reign of Queen Victoria, intituled an Act
'[here set forth the Title of this Act], to the best of my Knowledge and
'Judgment; and that I will not disclose any Particular contained in any
'Statement, Declaration, or Schedule, with respect to the Duties charged
'under the Provisions and Regulations relating to Schedule (D.) of the
'said Act, or any Evidence or Answer given by any Person who shall be
'examined, or shall make Affidavit, Deposition, or Affirmation respecting
'the same, except in such Cases and to such Persons only who shall be
'sworn to the due Execution of the said Act, and where I shall be
'directed so to do by the Regulations of the said Act, or any Two or
'more of the Commissioners under whom I act, or of the Commissioners
'of Stamps and Taxes, or in order to and in the course of a Prosecution
'for Perjury Committed on such Examination, Affidavit, Deposition, or
Affirmation.

'So help me GOD.'

CXC. And be it enacted, That the Schedule marked (G.), with the
Schedule (G.), and the Rules therein, to be observed in executing the
Rules and Directions therein contained, shall, in making Returns of the Amount of annual Value or Profits on which any Duty is chargeable under this Act, so far as the same are respectively applicable to the Case of each Person, Corporation, Company, or Society described or mentioned in this Act, on behalf of themselves, and also of others for whom they act in any of the Characters described in this Act, or herein-after mentioned, be observed by each such Person, Corporation, Company, or Society, or by his or their Agents or Officers, in the Cases where such Agents or Officers are authorized to make such Returns.

SCHEDULE (G.).

I.—By every Occupier of Lands, Tenements, Hereditaments, or
By Occupiers of Lands, &c., charged under Schedules (A.) and (B.).
Heritages throughout Great Britain, to be charged under Schedules (A.) and (B.), or either of them.

A Statement of the Rent and annual Value, or the annual Value, as the Case shall require, of all Lands, Tenements, and Hereditaments,

or Heritages, occupied in every Parish or Place, distinguishing the Proportions in each Parish or Place, and estimating separately such as are occupied as Owner or Tenant, and also such as are held under different Landlords, and also such as are chargeable by the Rent or annual Value, or on the Amount of Profits; and also estimating separately the Rent or annual Value chargeable in respect of the Property, and the Amount chargeable in respect of the Occupation, distinguishing the same as follows; (*videlicet*),

Lands and Tenements occupied as Owner:

Lands and Tenements let at Rack Rent within Seven Years:

Lands and Tenements let at Rack Rent before the Period of Seven Years, with the Rent and annual Value thereof estimated separately:

Lands and Tenements let, but not at Rack Rent, with the Rent and annual Value thereof estimated separately:

The Amount at which such Lands and Tenements are rated to the Poor:

The Amount of the Composition, Rent, Rent-charge, or annual Payment paid in the preceding Year to the Rector or Vicar or other Person, for Tithes of the above Lands and Tenements:

The Amount of each Deduction claimed in respect thereof, and stating if Tithe-free in Part or in the Whole, and the Amount of any Modus for Tithes or Real Composition.

II.—By every Lay Impropiator, and by every Ecclesiastical Rector,

By Lay Impropiators and Ecclesiastical Persons, under Schedule (A.).
 Vicar, or other Person (describing himself) receiving any Tithes in Kind, or any Payments in right of the Church, or by Endowment, or in lieu of any Tithes, and on all Teinds in Scotland, to be charged under Schedule (A.), distinguishing the same as follows:

The Amount of the Profits from Tithes taken in Kind for One Year, on an Average of Three Years:

The Amount of Dues and Money Payments in right of the Church, or by Endowment, or in lieu of Tithes not arising from Lands, on the above Average:

The Amount of Compositions, Rents, and Payments in lieu of Tithes, arising from Lands for the preceding Year.

III.—By every Person, Corporation, or Company carrying on any

By Corporations, &c., under Schedule (A.).
 Concern herein-after mentioned, or their Agents or Officers, in the Cases authorized to be charged under Schedule (A.).

The Amount of Profits from Quarries of Stone, Slate, Limestone, or Chalk, in the preceding Year:

Of Iron Works, Salt Springs or Works, Alum Mines or Works, Waterworks, Streams of Water, Canals, Inland Navigations, Docks, Drains, Levels, Fishings, Rights of Markets and Fairs, Tolls, Railways and other Ways, Bridges and Ferries, in the preceding Year:

Of Mines of Coal, Tin, Lead, Copper, Mundic, Iron, and other Mines, on an Average of Five Years.

IV.—By every Lord or Lady of a Manor or other Royalty, or Tenant By Lords of Manors. of the same.

The Amount of all Dues and other Services or other casual Profits (except Rents and annual Payments) of such Manors or Royalties, on an Average of Seven Years.

V.—By the Receiver of any Fine paid in consideration of a Demise By Receivers of Fines, of Lands or Tenements (except Customary) to under Schedule (A.). be charged under Schedule (A.).

The Amount of such Fines in the preceding year, or for such lesser Period since the Interest thereon commenced, and an Estimate of the average Value for One Year.

VI.—By every Person entitled to Profits arising from Lands, By Profits from Lands, Tenements, Hereditaments, or Heritages, not &c., under Schedule (A.). before stated to be charged under Schedule (A.).

The Amount, on a fair Average, to be allowed by the respective Commissioners.

VII.—By or for every Person carrying on any Trade, Manufacture, By Persons carrying on Adventure, or Concern in the Nature of Trade, Trade, charged under Schedule (D.); to be charged under Schedule (D.).

The Amount of the Balance of the Profits thereof, upon a fair and just Average of Three Years, or for such shorter Period as the Concern has been carried on.

VIII.—By every Person exercising any Profession, Employment, or Vocation, to be charged or exercising Professions; under Schedule (D.).

The Amount of the Balance of the Profits, Gains, and Emoluments thereof within the preceding Year.

IX.—By every Person entitled to Profits of an or entitled to Profits uncertain Value, not before stated, to be charged of uncertain Values; under Schedule (D.).

The full Amount of the Profits or Gains arising therefrom within the preceding Year.

X.—By every Person receiving in Great Britain Interest from Securities out of Great Britain, to be charged under Schedule (D.).
or receiving Interest from Foreign Securities;

The full Amount that has been received, or will be received, as far as the same can be computed in the current Year.

XI.—By every Person receiving in Great Britain Profits from Possessions out of Great Britain, to be charged under Schedule (D.).
or Profits from Foreign Possessions;

The full net Amount annually received therefrom, either by Remittances, or Importation of Property, or Money or Value from Property not imported, or on Credit, or on account in respect of Remittances, Property, or Value, on an Average of the Three preceding Years.

XII.—By every Person entitled to any annual Profits not falling under any of the foregoing Rules, and not charged by any of the other Schedules, to be charged under Schedule (D.).
or any other Profits charged under Schedule (D.).

The full Amount thereof received annually, or according to the Average directed to be taken by the Commissioners on a Statement of the Nature of such Profits, and the Grounds on which the Amount has been computed, and the Average taken to the best of the Party's Knowledge and Belief.

XIII.—Declarations to be delivered in respect of the Duty to be charged under Schedule (D.).
Declaration in respect of Duty under Schedule (D.).

First.—Declaration by the precedent acting Partner, or by the Agent, if none of the Partners are resident in Great Britain, of the Names of the several Partners, their respective Residences, and the Place of carrying on the Trade or Concern, or exercising the Profession, and the Style or Description of the Firm:

Second.—Declaration by any Partner, not being the precedent acting Partner, of his being assessed with the Firm, describing the same, and the Place where the Return of the Precedent Partner was made:

Third.—Declaration which may be made by each Partner desirous of being and entitled to be separately assessed, describing the Firm, and his Proportion of the Profits.

XIV.—Statement of Profits of any Office not chargeable by Commissioners specially appointed in the Department where the Office is held.
Statement of Profits not chargeable where the Office is held.

The Amount of the Salary, Fees, Wages, Perquisites, and Profits of Office in the preceding Year. or on an Average of Three Years, as the Case shall require.

The like Statement to be delivered to the Commissioners appointed in the Department, if required.

XV.—General Declaration by each Person returning a Statement of Profits under Schedules (A.), (B.), (D.) or General Declarations. (E.).

Declaring the Truth thereof, and that the same is fully stated on every Description of Property or Profits included in the Act relating to the said Duties, and appertaining to the Party, estimated to the best of his Judgment and Belief, according to the Directions and Rules of this Act.

List and Declaration in relation to Duties chargeable on others. XVI.—List and Declaration for facilitating the Execution of the Act in relation to the Duties chargeable on others.

First.—List containing the Name of every Lodger or Inmate in any Dwelling House, with the ordinary Place of Residence of such Lodger or Inmate, if he shall have any ordinary Place of Residence elsewhere, at which he is desirous of being assessed:

Second.—List of every Person in the Service or Employ of any Master or Mistress, whether resident in his or her Dwelling House or not, and the Place of Residence of those not residing with the Master or Mistress:

Third.—List to be delivered by every Trustee, Factor, Agent, Receiver, Guardian, Tutor, Curator, or Committee of the Name and Place of Residence of the Person for whom they act in such Character, describing him, and the Names of them who are joined in Trust:

Fourth.—Declaration on whom the Duty is chargeable in respect of such Trust:

Fifth.—List containing the proper Description of every Corporation, Company, Fraternity, Fellowship, Society or Trust for which any Person is answerable as Treasurer, Auditor, or Receiver, and where any Person before described is answerable for the Duty to be charged in respect of the Property or Profits of others, such Lists as aforesaid shall be delivered, together with required Statements of such Profits.

Lists, Declarations &c., in order to obtain Exemptions. XVII.—Lists, Declarations, and Statements of Discharge, or in order to obtain Exemptions.

First.—Declaration of the Amount of Value or Property or Profits returned, or for which the Claimant hath been or is liable to be assessed:

Second.—Declaration of the Amount of Rents, Interests, Annuities, or other annual Payments, for which the Party is liable to allow and deduct the Duty, with the Names of the respective Persons by whom such Payments are to be made, distinguishing the Amount of each Payment;

Third.—Declaration of the Amount of Interest, Annuities, or other annual Payments, to be made out of the Property or Profits assessed on the Claimant, distinguishing each Source:

Fourth.—Statement of the Amount of Income derived according to the Three preceding Declarations.

Fifth.—Statement of any Payment which the Claimant may be liable to make, and out of which he may be entitled to deduct or retain any Portion of the Duty charged upon him, and of any Charge which he may be entitled to make against any other Person for any Portion of such Duty.

CXCI. And be it enacted, That wherever by this Act any Appointment is directed or authorized to be made, or any Act, Matter, or Thing whatever is required to be done or performed by the Commissioners of Her Majesty's Treasury, every such Appointment, Act, Matter, and Thing may lawfully be made, done, and performed respectively by any Three or more of the said Commissioners for the Time being; and wherever any Order, Consent, Authority, or Direction of the said Commissioners of Her Majesty's Treasury is prescribed or required by this Act, every such Order, Consent, Authority, and Direction may be signified either under the Hands of any Three or more of the said Commissioners, or under the Hand of One of their Secretaries or Assistant Secretaries; and wherever any of the Powers and Authorities given by this Act are required or directed to be put in execution, or any Assessment, Warrant, Order, Precept, Notice, Certificate, Contract of Composition, or other Document is by this Act or any Act herein recited or referred to is required or directed to be made, signed, or issued by the Commissioners for General Purposes, or the Additional Commissioners, or the Commissioners for Special Purposes, or the Commissioners for Stamps and Taxes, or any other Commissioners acting in the Execution of this Act, every such Power and Authority shall and may lawfully be put in execution, and every such Assessment, Warrant, Order, Precept, Notice, Certificate, Contract, or other Document shall and may lawfully be made, signed, and issued respectively by any Two or more of the said respective Commissioners; provided that where any Act, Matter, or Thing is directed or authorized to be done or performed by or before One of such respective Commissioners, such Act, Matter, or Thing may lawfully be done or performed by or before such One Commissioner, any thing herein contained notwithstanding.

CXCII. And be it enacted, That wherever in this Act, with reference to any Person, Matter, or Thing, any Word or Words is or are used importing the Singular Number or the Masculine Gender only, yet such Word or Words shall be understood to include several Persons as well as one Person, Females as well as Males, Bodies Politic or Corporate as well

as Individuals, and several Matters or Things as well as one Matter or Thing, unless it be otherwise specially provided, or there be something in the Subject or Context repugnant to such Construction; and that wherever the Terms and Expressions following occur in this Act they shall be construed respectively in the Manner herein-after directed; (that is to say,) that the Expression "Her Majesty" shall be construed to mean and include Her Majesty, Her Heirs and Successors; the Expression "Commissioners of Her Majesty's Treasury" shall mean and include the Commissioners of Her Majesty's Treasury of the United Kingdom of Great Britain and Ireland, or any Three or more of them, or the Lord High Treasurer of the said United Kingdom for the Time being; the Term "Affidavit" and the Term "Oath" shall respectively mean and include an Affirmation in the Case of Quakers or other Persons entitled by Law to make an Affirmation in lieu of an Affidavit or Oath; the Term "England" shall mean and include England and Wales and Berwick-upon-Tweed.

CXCIII. And be it enacted, That this Act shall commence and take effect from and after the Fifth Day of April One thousand eight hundred and forty-two, and, together with the Duties therein contained, shall continue in force until the Sixth Day of April One thousand eight hundred and forty-five, and no longer: Provided always, that this Act and the said Duties shall not then cease with respect to any Assessment which ought to have been made before the said last-mentioned Day, but which shall not then have been made and completed, nor with respect to any of the said Duties which shall have been assessed and shall then remain unpaid, nor with respect to any Penalty before then incurred, the said Duties shall not cease in such Districts where the Assessments for the preceding Year shall not have been completed before the said Sixth Day of April, but that all the Powers and Provisions of this Act shall continue in force, for making and completing all such Assessments as aforesaid and for levying and recovering the Duties so assessed or to be assessed, and all Arrears of such Duties, and also for re-assessing the same, in default of Payment in the Manner herein directed, and for the suing for, adjudging, and recovering any Penalty which shall have been or may be incurred.

CXCIV. And be it enacted, That this Act may be amended or repealed by any Act to be passed in this present Session of Parliament.

(8 & 9 GEO. 5, C 40.)

An Act to Consolidate the Enactments relating to Income Tax.

[8th August, 1918.]

PART I.—CHARGE OF INCOME TAX.

1. Where any Act enacts that income tax shall be charged for any year at any rate, the tax at that rate shall be charged for that year in respect of all property, profits, or gains respectively described or comprised in the schedules marked A, B, C, D, and E, contained in the First Schedule to this Act and in accordance with the Rules respectively applicable to those schedules.

2. Every assessment and charge to tax shall be made for a year commencing on the sixth day of April and ending on the following fifth day of April, except where under the provisions of this Act weekly wage-earners are to be assessed and charged quarterly.

3. The due proportion of tax shall be charged for every fractional part of twenty shillings, but no tax shall be charged of a lower denomination than one penny.

PART II.—SUPER-TAX. (a)

PART III.—EXEMPTION, ABATEMENT, AND RELIEF.

- *9. (*Relief from tax based on total income*) (b).
- *10. (*Exemption.*)
- *11. (*Abatement.*)
- *12. (*Relief in respect of children.*)
- *13. (*Relief in respect of wife and certain relatives.*)
- *14. (c).....

(3) For the purposes of this section the expression "earned income" means (i)—

- (a) any income arising in respect of any remuneration from any office or employment of profit held by the individual, or in respect of any pension, superannuation, or other allowance,

(a) Repealed as from 6th April, 1929, Act of 1927, Section 47, and Sixth Sched., Part I.

* (b) Sects. 9—13 repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.

* (c) Sub-sects. (1) and (2) repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.

(i) Applied and extended, Finance Act, 1920, Sec. 33; see also Act of 1925, Sec. 14, and Act of 1932, Sec. 17 (3).

deferred pay, or compensation for loss of office, given in respect of the past services of the individual or of the husband or parent of the individual in any office or employment of profit, or given to the individual in respect of the past services of any deceased person, whether the individual or husband or parent of the individual shall have contributed to such pension, superannuation allowance, or deferred pay, or not; and

- (b) any income from any property which is attached to or forms part of the emoluments of any office or employment of profit held by the individual, and
- (c) any income which is charged under Schedule B., or Schedule D., or the rules applicable to Schedule D., and is immediately derived by the individual from the carrying on or exercise by him of his trade, profession, or vocation, either as an individual, or, in the case of a partnership, as a partner personally acting therein.

(4) In cases where the profits of a wife are deemed to be profits of the husband, any reference in this section to the individual includes either the husband or the wife.

***15.** (*Relief in respect of unearned income*) (d).

16. Except as otherwise provided, any *allowance or deduction* (e) shall be given either by discharge or reduction of the assessment, or by repayment of the excess which has been paid, or by all or any of those means, as the case may require.

17. A claimant shall not be entitled to *allowance or deduction* (f) in respect of any income the tax on which he is entitled to charge against any other person, or to deduct, retain, or satisfy out of any payment which he is liable to make to any other person.

18. Where an assessment has become final and conclusive for the purposes of tax for any year of assessment, that assessment shall also be final and conclusive in estimating total income from all sources for the purposes of *the Income Tax Acts* (g), and no allowance or adjustment of liability, on the ground of diminution of income or loss, shall be taken into account in estimating such total income from all sources for such purposes unless that allowance or adjustment has been previously made on an application under the special provisions of this Act relating thereto.

* (d) Repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.

(e) Reference substituted, Finance Act, 1920, Sec. 32, and Third Sched.

(f) Words substituted, *ibid.*

(g) Words substituted, *ibid.*

19. For the purpose of *any claim for an allowance or deduction (h)*, the income arising from the ownership of lands, tenements, hereditaments, or heritages *assessable under Schedule A.(p)* shall, subject to any allowance, reduction, or relief granted under this Act, be deemed to be the annual value thereof estimated in accordance with the rules applicable to Schedule A., and the income arising from the occupation of lands, tenements, hereditaments and heritages *assessable under Schedule B.(l)* shall, subject to any allowance, reduction or relief granted under this Act, be deemed the assessable value thereof estimated in accordance with the rules applicable to Schedule B., and where a claimant is both owner and occupier *of the last-mentioned lands, tenements, hereditaments and heritages(l)*, the amount of the annual value under Schedule A., added to the amount of the assessable value under Schedule B., shall be deemed to be the income arising from those lands, tenements, hereditaments or heritages.

20. The following persons having joint interests, that is to say,—

- (a) coparceners, joint tenants, or tenants in common of the profits of any property; and
- (b) joint tenants, or tenants of land or tenements in partnership, being in the actual and joint occupation thereof in partnership, who are entitled to the profits thereof in shares; and
- (c) partners carrying on a trade, profession or vocation together who are entitled to the profits thereof in shares,

may claim *any allowance or deduction (i)* according to their respective shares and interests, and any such claims which are proved to the satisfaction of the commissioners to whom they are made, may be dealt with in the same manner as in the case of several interests:

Provided as follows:—

- (i) Profits arising from the occupation of lands shall not be separately charged if the lands are let or underlet without the lessor relinquishing the possession thereof or if the lessee is not exclusively in the possession and occupation of the lands;
- (ii) The income of a partner from a partnership carrying on any trade, profession, or vocation shall be deemed to be the share to which he is entitled during the year to which the claim relates, in the partnership profits, such profits being estimated according to the several rules and directions of this Act.

***21.** (*Relief in respect of separate business of a married woman*) (j).

(h) Reference substituted, *ibid.*

(p) Words inserted, Act of 1926, s. 36, and Fourth Sched.

(l) Words inserted, Act of 1926, s. 36, and Fourth Sched.

(i) Reference substituted, Finance Act, 1920, Sec. 32, and Third Sched.

(j) Repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.

22.—(1) In the case of weekly wage-earners to whom the provisions of this Act as to half-yearly assessment apply, the assessment and charge of tax in each half-year shall not affect the grant of any *allowance or deduction* (*k*) which is dependent wholly or partially on total annual income; and any such exemption, abatement or relief shall be given in cases where the tax is assessed and charged quarterly under this Act, as if the total wages on which the tax is charged and the total tax charged for the four quarters of the year were respectively the total income for the year from the wages and the total tax charged for the year in respect of the wages.

(2) The Commissioners of Inland Revenue may, however, if they think fit in any case, in accordance with regulations made by them, allow any such exemption, abatement or relief by way of reduction of the quarterly assessment or repayment of the quarterly tax.

23. Where relief has been granted for any year of assessment under any provisions of this Act providing for the reduction of an assessment on any source of income in cases where the profits of the year of assessment fall short, or in cases of deprivation of or loss of profits or gains from some specific cause, the amount of the assessment as reduced shall be deemed to be the income from that source in ascertaining the total income from all sources for that year for the purpose of any claim for *allowance or deduction* (*l*).

24. (*Restriction of tax when margin of income above a certain limit is small*) (*m*).

25. Where in pursuance of the provisions of any will or settlement any income arising from any fund is accumulated for the benefit of any person contingently on his attaining some specified age or marrying, and the aggregate amount in any year of assessment of that income and the income from any other fund subject to the like trusts for accumulation and of the total income of that person from all sources (hereinafter referred to as "the aggregate yearly income") is of such an amount only as would entitle an individual either to total exemption from tax or to relief from tax, that person shall, on making a claim for the purpose within six (*n*) years after the end of the year of assessment in which the contingency happens, be entitled, on proof of the claim in manner prescribed by this Act, to have repaid to him on account of the tax which has been paid in respect of the income during the period of accumulation a sum equal to the aggregate amount of relief to which he would have

(*k*) References substituted, Act of 1920, Sec. 32, and Third Sched.: Act of 1925, Sec. 18.

(*l*) Words substituted, Finance Act, 1920.

(*m*) Repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.

(*n*) Extended to six years by Act of 1923, Sec. 30 (2).

been entitled if his total income from all sources for each of the several years of the said period had been equal to the aggregate yearly income for that year; but in calculating that sum a deduction shall be made in respect of any relief already received.

**26. (No relief where individual not resident in the United Kingdom (o).)*

27.—(1) Any person who claims *any allowance or deduction (p)* shall, within the time limited by this Act for the delivery of lists, declarations, and statements, or within such further time as the general commissioners for the division may for any special reason allow, deliver to the assessor of the parish in which he resides, a notice of his claim, together with a declaration and statement in the prescribed form, signed by him, setting forth—

- (a) all the particular sources from which his income arises, and the particular amount arising from each source;
- (b) all particulars of any yearly interest or other annual payments, reserved or charged thereon, whereby his income is or may be diminished; and
- (c) all particulars of sums which he has charged or may be entitled to charge on account of tax against any other person, or which he has deducted, or may be entitled to deduct, out of any payment to which he is or may be liable.

(2) Any surveyor may examine every such declaration and statement and take copies of or extracts from the same.

(3) The assessor shall transmit to the commissioners the notice of claim and the declaration and statement.

If the surveyor does not within forty days after the transmission or within such further time as the commissioners on just cause may allow, make an objection to the claim, the commissioners may allow the claim.

(4) If it appears that any property or profits of the claimant are charged, or are liable to be charged, in some other division, the commissioners shall certify the allowance, in the prescribed form, to the Commissioners of Inland Revenue, who shall direct the appropriate relief to be given in that other division.

(5) If the surveyor objects in writing to such claim stating that he has reason to believe that the income of the claimant, or any other particulars in the declaration or statement of the claimant, are not truly or fully set forth in any specified particular, the claim shall be heard and determined by way of appeal by the general commissioners, in like manner

(o) Repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.; see now Act of 1920, Sec. 24.

(p) Reference substituted, Finance Act, 1920, Sec. 32, and Third Sched.

as other appeals under this Act and with the like liability to penalties, and if the claim is allowed the commissioners shall grant and issue all necessary certificates accordingly.

28.—(1) All claims for any allowance or deduction (q) shall be made and proved before the general commissioners for the division in which the claimant resides, pursuant to the powers and provisions under which tax under Schedule D., is ascertained and charged, and whether he be personally charged in that division or not.

(2) If the whole income of the claimant arises from an office or employment of profit, or from a pension or stipend under the jurisdiction of the commissioners of a department or office, the claim may be made to and allowed by those commissioners.

(3) If a claimant is not within the United Kingdom, an affidavit stating the particulars required by this Act, and taken before any person who has authority to administer, in the place where the claimant resides, an oath with regard to any matter relating to the public revenue of the United Kingdom, may be received by the respective commissioners.

(4) If satisfactory proof is given to the commissioners that a claimant is unable to attend in person, a claim on his behalf may be made by any guardian, trustee, attorney, agent or factor acting for him.

(5) Where a person is assessable on behalf of any other person, he may make a claim as aforesaid on behalf of that other person.

29.—(1) If it is proved to the satisfaction of the general commissioners that any person whose claim for allowance or deduction (r) or relief has been allowed, has paid any tax, by deduction or otherwise, the general commissioners may, in the form prescribed, certify the facts proved before them to the special commissioners.

(2) The certificate of the general commissioners shall state the particulars of the different sources of income in respect of which tax has been paid, the relief to which the claimant is entitled, the amount repayable in respect thereof, and the name and place of abode of the claimant.

(3) On receipt of the certificate, the special commissioners shall issue an order for repayment.

30.—(1) A person who in making a claim for or obtaining any allowance or deduction (s), or in obtaining any certificate as aforesaid—

(a) is guilty of any fraud or contrivance; or

(b) fraudulently conceals or untruly declares any income or any sum which he has charged against or deducted from, or was

(q) Reference substituted, Finance Act, 1920, Sec. 32, and Third Sched.

(r) Words substituted, *ibid.*

(s) Reference substituted, Finance Act, 1920, Sec. 32, Third Sched.

entitled to charge against or deduct from another person
or

(c) fraudulently makes a second claim for the same cause,
shall forfeit the sum of twenty pounds and treble the tax chargeable in
respect of all the sources of his income and as if such claim had not been
allowed.

(2) A person who knowingly and wilfully aids or abets any person
in committing an offence under this section shall forfeit the sum of fifty
pounds (t).

***31.** (*Right of husband and wife to claim relief separately*) (u).
Relief in respect of Insurance, Losses, and Certain Payments.

32.—(1) Any person—

(a) who has made an insurance on his life or the life of his wife,
or who has contracted for any deferred annuity on his own
life or the life of his wife, with any insurance company (dd)
legally established in the United Kingdom or in any British
Possession, or lawfully carrying on business in the United
Kingdom, or with a registered friendly society, or, in the
case of a deferred annuity, with the National Debt Com-
missioners; and

(b) who (v) is under any Act of Parliament or under the terms
or conditions of his employment liable to the payment of any
sum or to the deduction from his salary or stipend of any
sum for the purpose of securing a deferred annuity to his
widow or provision for his children after his death;

shall, subject as hereinafter provided, be entitled to have the amount of
tax payable by him reduced by a sum representing tax at the appropriate
rate on the amount of the premium paid by him for any such insurance
or contract or on the amount of the sum paid by him or deducted from his
salary or stipend.

For the purposes of this section, the expression "appropriate rate"
means—

- (i) where the total income of the claimant from all sources
estimated in accordance with provisions of the Income Tax
Acts does not exceed one thousand pounds, half the standard
rate of tax;
- (ii) where the total income of the claimant from all sources estimated
as aforesaid exceeds one thousand pounds but does not exceed

(t) Increased to £500 by Sec. 23 (3) of the Act of 1923.

(u) Repealed, Finance Act, 1920, Sec. 64 (3), and Fourth Sched.; see now Act of
1920, Sec. 25.

(dd) Extended, Act of 1932, s. 20.

(v) Words to end of sub-sect. (1) substituted by Finance Act, 1920, Sec. 26 (1),

two thousand pounds, three-fourths of the standard rate of tax:

- (iii) *where the total income of the claimant from all sources estimated as aforesaid exceeds two thousand pounds, the standard rate of tax.*

(2) If any such person is charged to tax under any Schedule and has paid that tax, or has paid or has been charged with tax by deduction or otherwise, he shall, on a claim being made to the special commissioners, and on production to them of the receipt for his (f) payment, and proof of the facts to their satisfaction, be entitled to repayment of tax on the amount thereof *at the appropriate rate (g).*

- (3) No such allowance—

(a) shall be made in respect of any such amounts beyond one-sixth of the total (h) income of the person from all sources estimated in accordance with *the provisions of the Income Tax Acts (i);*

(b)(k);

(c) shall exceed, in respect of any premium or other payment payable on a policy for securing a capital sum on death (whether in conjunction with any other benefit or not), *the amount of the tax calculated at the appropriate rate on an amount equal to (l) seven per cent. of the actual capital sum assured, and in calculating any such capital sum, no account shall be taken of any sum payable on the happening of any other contingency, or of the value of any premiums agreed to be returned, or of any benefit by way of bonus, or otherwise, which is to be or may be received either before or after death, either by the person paying the premium, or by any other person, and which is not the sum actually assured;*

(d) shall *in any case exceed the amount of the tax calculated at the appropriate rate on one hundred pounds (m) in respect of any premiums or payments to which this section applies and which are payable for securing any other benefits than as last aforesaid;*

(e) shall, as regards insurances or contracts for deferred annuities

(f) Word "annual" omitted, Finance Act, 1920, Sec. 32, and Third Sched.

(g) Words added, Finance Act, 1920, Sec. 26 (2).

(h) Word "chargeable" omitted, Finance Act, 1920, Sec. 32, and Third Sched.

(i) Words substituted, *ibid.*

(k) Paragraph (b) omitted, *ibid.*

(l) Words inserted, Finance Act, 1920, Sec. 26 (3).

(m) Words substituted, sect. 26 (4).

made after the twenty-second day of June, nineteen hundred and sixteen,

(i) be given at a greater rate of tax than *half the standard rate of tax (n)*;

(ii) be given except in respect of premiums or other payments payable on policies for securing a capital sum on death, whether in conjunction with any other benefit or not; or

(iii) be given in respect of premiums or payments payable during the period of deferment in respect of a policy of deferred assurance:

Provided that the two last-mentioned restrictions shall not affect premiums or payments payable on policies or contracts made in connection with any superannuation or *bonâ fide* pension scheme for the benefit of the employees of any employer or of persons engaged in any particular trade, profession, vocation or business, *or for the benefit of the wife or widow of any such employee or person or of his children or other dependants (o)*, or on any policy taken out by a teacher in a secondary school pending the establishment of a superannuation or pension scheme for those teachers;

(f) *shall be given at a rate of tax greater than one-third of the standard rate—*

(i) *where the taxable income of the claimant does not exceed one hundred and thirty-five pounds, in respect of any premiums or payments to which his claim relates; or*

(ii) *where the taxable income of the claimant exceeds one hundred and thirty-five pounds, in respect of the amount, if any, by which such premiums or payments exceed the amount by which his taxable income exceeds one hundred and thirty-five pounds.*

In this paragraph the expression "taxable income" in relation to a claimant means his total income less any amount on which he is, by virtue of Sub-section (1) of section forty of the Finance Act, 1927, entitled to relief by way of a deduction of tax. (oo)

(4) (p).

(5) War insurance premiums shall not be taken into account in calculating the aforesaid limits of one-sixth of the total income from all sources, or of seven per cent., or of one hundred pounds.

(n) Words substituted, sect. 26 (5).

(oo) Inserted, Act of 1935, sect. 23.

(o) Words inserted, sect. 26 (6).

(p) Sub-sect. (4) omitted, Finance Act, 1920, Sec. 32, and Third Sched.

(6) In this section the expression "war insurance premiums" means any additional premium or other sum paid in order to extend an existing life insurance policy to risks arising from war or war service abroad, and any part of any premium or other sum paid in respect of a life insurance policy covering those risks, or either of them, which appears to the commissioners to whom the claim for relief is made to be attributable to those risks, or either of them.

(7) Where premiums in respect of any insurance effected with a registered friendly society are made payable for shorter periods than three months, a person who claims relief under this section must, in order to obtain relief, produce to the surveyor a certificate, signed by an officer of the society, specifying the correct amount of premiums paid during the year of assessment.

A person who wilfully gives or produces a false certificate shall forfeit the sum of fifty pounds.

(8) (q) *Where a premium is paid by a wife out of her separate income in respect of an insurance on her own life or the life of her husband or a contract for any deferred annuity on her own life or the life of her husband, the same allowance of tax shall be made as if the premium were a premium paid by her husband for an insurance on his own life or for a contract for a deferred annuity on his own life, and this section shall apply accordingly.*

(9) (q) *Where the tax ultimately payable by any person after deducting the allowance under this section is greater than the amount of tax which would be payable if the total income of that person exceeded one thousand pounds or two thousand pounds, as the case may be, the allowance under this section shall be increased by a sum representing the amount by which tax at one-fourth of the standard rate on the amount of the premiums or payment in respect of which the allowance is made exceeds the amount of the tax at the standard rate on the amount by which the total income falls short of one thousand pounds or two thousand pounds, as the case may be.*

33.—(1) Where an assurance company carrying on life assurance business, or any company whose business consists mainly in the making of investments, and the principal part of whose income is derived therefrom, or any savings bank or other bank for savings, claims and proves to the satisfaction of the special commissioners that, for any year of assessment, it has been charged to tax by deduction or otherwise, and has not been charged in respect of its profits in accordance with the rules applicable to Case I., of Schedule D., the company or bank shall be entitled to repayment of so much of the tax paid by it as is equal to the

amount of the tax on any sums disbursed as expenses of management (including commissions) for that year:

Provided that—

- (a) relief shall not be given under this section so as to make the tax paid by the company or bank less than the tax which would have been paid if the profits had been charged in accordance with the said rules; and
- (b) the amount of any fines, fees, or profits arising from reversions in the case of an assurance company, and, in the case of any other company or any such bank, the amount of any income or profits derived from sources not charged to tax, shall be deducted from the amount treated as expenses of management for the year; and
- (c) in calculating profits arising from reversions, the company may set off against those profits any loss arising from reversions for any previous year during which any enactment granting this relief was in operation.

(2) Notice of any claim to the special commissioners under this section, together with the particulars thereof, shall be given in writing to the surveyor within twelve months after the expiration of the year of assessment in respect of which the claim is made, and where the surveyor objects to such claim the special commissioners shall hear and determine the same in like manner as in the case of an appeal to them against an assessment under Schedule D., and the provisions of this Act relating to the statement of a case for the opinion of the High Court on a point of law shall apply.

(3) A company or bank shall not be entitled to any relief under this section in respect of any expenses as to which relief may be claimed or allowed under rules 7 and 8 of No. V., of Schedule A.

(4) Where an assurance company, not having its head office in the United Kingdom, is charged under Case III. of Schedule D., on a proportion of the income from the investments of its life assurance fund, or on a basis substituted therefor, the relief in respect of expenses of management shall be calculated by reference to a like proportion of its total expenses of management for the year, estimated according to the provisions of this Act.

(5) Where income arising from the investments of the foreign life assurance fund of an assurance company has been relieved from tax in pursuance of the provisions of this Act, a corresponding reduction shall be made in the relief granted under this section in respect of the expenses of management.

34.—(1) Where any person sustains a loss in any trade, profession, employment or vocation, carried on by him either solely or in partner-

ship, or in the occupation of lands for the purpose of husbandry only, or in the occupation of woodlands in respect of which he has elected to be charged to tax under Schedule D., he may upon giving notice in writing to the surveyor within *one year*(*r*) after the year of assessment, apply to the general commissioners or to the special commissioners, for an adjustment of his liability by reference to the loss and to the aggregate amount of his income for that year estimated according to this Act.

(2) The commissioners shall, on proof to their satisfaction of the amount of the loss, and of the payment of tax upon the aggregate amount of income, give a certificate authorising repayment of so much of the sum paid for tax as would represent the tax upon income equal to the amount of loss, and the certificate may extend to give any exemption, abatement, or relief depending upon total income from all sources, authorised by this Act.

Upon the receipt of the certificate the Commissioners of Inland Revenue shall cause repayment to be made in conformity therewith.

(3) If any person shall be guilty of any fraud or contrivance in making any application under this section, or in obtaining any such adjustment or certificate as aforesaid, he shall forfeit the sum of fifty pounds.

(4) Where repayment has been made to a person for any year under this section, he shall not be entitled, in computing the amount of the assessment for any subsequent year, to a deduction of any portion of the amount in respect of which such repayment has been obtained.

35. Where in any burgh in Scotland tolls commonly known by the name of customs are levied under the authority of any Act of Parliament or charter, and are applied and expended in the burgh in defraying the expenses of paving, lighting, or cleansing the same, or of the police thereof, or in discharging any other similar public burdens, any tax which has been charged and paid in respect of any such tolls shall, as regards so much of the tolls as shall have been expended as aforesaid, be repaid on due proof of the necessary facts to the satisfaction of the special commissioners.

36.—(1) Where interest payable in the United Kingdom on an advance from a bank carrying on a *bonâ fide* banking business in the United Kingdom is paid to the bank without deduction of tax out of profits or gains brought into charge to tax, the person by whom the interest is paid shall be entitled, on proof of the facts to the satisfaction of the special commissioners, to repayment of tax on the amount of the interest.

(2) A like repayment shall on the like proof be made in the case of interest (not being yearly interest) payable in the United Kingdom on an

(*r*) Extended to one year, Act of 1923, Sec. 30 (3).

advance from a person who in the opinion of the Commissioners of Inland Revenue is *bonâ fide* carrying on business as a member of a stock exchange in the United Kingdom, or from any person who in the opinion of the said commissioners is *bonâ fide* carrying on the business of a discount house in the United Kingdom:

Provided that no repayment shall be made unless the Commissioners of Inland Revenue are satisfied that the interest has been or will be brought into account in the statement delivered or to be delivered for the purposes of income tax by the person making the advance.

Relief to Charities, Friendly Societies, etc.

37.—(1) Exemption shall be granted—

- (a) from tax under Schedule A in respect of the rents and profits of any lands, tenements, hereditaments, or heritages belonging to any hospital, public school or almshouse, or vested in trustees for charitable purposes, so far as the same are applied to charitable purposes only(*rr*):

Provided that any assessment upon the respective properties shall not be vacated or altered, but shall be in force and levied, notwithstanding the allowance of any such exemption;

- (b) from tax under Schedule C in respect of any interest, annuities, dividends or shares of annuities, and from tax under Schedule D, in respect of any yearly interest or other annual payment forming part of the income of a body of persons or trust established for charitable purposes only, or which, according to the rules or regulations established by Act of Parliament, charter, decree, deed of trust, or will, are applicable to charitable purposes only, and so far as the same are applied to charitable purposes only;
- (c) from tax under Schedule C in respect of any interest, annuities, dividends or shares of annuities, in the names of trustees applicable solely towards the repairs of any cathedral, college, church or chapel, or any building used solely for the purpose of divine worship, and so far as the same are applied to those purposes.

38. The trustees of the British Museum shall be granted exemption from tax under Schedule A in respect of the lands and tenements vested in them, and shall also be granted the like exemptions in respect of any dividends of stock vested in them, or in any other person for their use, as are granted to charitable institutions under this Act(*rr*).

(*rr*) See Act of 1926, sec. 28, proviso.

39.—(1) An unregistered friendly society whose income does not exceed one hundred and sixty pounds shall be entitled to exemption from tax, and a registered friendly society which is precluded, by Act of Parliament or by its rules, from assuring to any person a sum exceeding three hundred pounds by way of gross sum, or fifty-two pounds a year by way of annuity, shall be entitled to exemption from tax under Schedules A, C, and D(*rr*).

(2) A registered trade union which is precluded, by Act of Parliament or by its rules, from assuring to any person a sum exceeding three hundred pounds by way of gross sum, or fifty-two pounds a year by way of annuity, shall be entitled to exemption from tax under Schedules A, C, and D in respect of its interest and dividends which are applicable and applied solely for the purpose of provident benefits(*rr*).

The expression "provident benefits" includes any payment, expressly authorised by the registered rules of the trade union, which is made to a member during sickness or incapacity from personal injury or while out of work, or to an aged member by way of superannuation, or to a member who has met with an accident, or has lost his tools by fire or theft, and includes a payment in discharge or aid of funeral expenses on the death of a member, or the wife of a member, or as provision for the children of a deceased member.

(3)(a) Any savings bank certified under the Savings Bank Act, 1863, shall be entitled to exemption from tax in respect of its interest and dividends arising from investments with the National Debt Commissioners.

(b) Any savings bank, whether certified under the Savings Bank Act, 1863, or not, shall be entitled to exemption from tax under Schedules C and D in respect of the income of its funds, so far as such income is applied in the payment or credit of interest to any depositor.

Provided as follows:—

- (i) *any such interest shall be chargeable under Case III. of Schedule D(s); and*
- (ii) *where in the year for which exemption is claimed by the bank, the interest paid or credited to any depositor out of the income of its funds, other than interest and dividends arising from investments with the National Debt Commissioners exceeds the sum of fifteen pounds (t), the bank and any branch thereof shall make a return to the surveyor for the district in which the bank or branch is situate of the name and place of residence of every depositor to whom any such sum has been paid or credited, and of the amount thereof, and unless such*

(*rr*) See Act of 1926, sec. 28, proviso.

(*s*) Substituted, Finance Act, 1920, s. 32, and Third Sched.

(*t*) Words substituted, Act of 1924, s. 24.

returns are duly made, the bank shall not be entitled to any relief in respect of any such sums. Any such return shall be made on or before the first day of May in the year following that in respect of which exemption is claimed.

(4) * * * * (ff)

(5) An approved society within the meaning of Part I. of the National Insurance Act, 1911, and any branch of such a society, shall be entitled to exemption in respect of the income derived from any funds or credits of the society under that Part of that Act, or any investment thereof, and the Insurance Commissioners, the Scottish Insurance Commissioners, the Irish Insurance Commissioners, and the Welsh Insurance Commissioners, shall be entitled to a similar exemption in respect of any income derived from any funds held by them, or under their control or management, under or for the purposes of that Act.

Any such exemption shall be in addition to and not in derogation of any other exemption.

(6) An insurance committee established under Part I. of the National Insurance Act, 1911, shall in respect of income derived from any funds or credits of the committee under the National Insurance (Health) Acts, 1911 to 1918, or any investment thereof, and the trustees of the special fund constituted by subsection (6) of section forty-eight of the National Insurance Act, 1911, as amended by the National Health Insurance Act, 1918, shall in respect of income derived from that fund, be entitled to exemption from tax, and the National Health Insurance Joint Committee shall be entitled to a similar exemption in respect of any income derived from any funds held by that committee or under the control or management of that committee under or for the purpose of the National Insurance (Health) Acts, 1911 to 1918.

Any such exemption shall be in addition to and not in derogation of any other exemption.

40.—(1) Any claim under the last three preceding sections shall be made to the special commissioners in writing, in such form as may be prescribed by the Commissioners of Inland Revenue, and the special commissioners on proof of the facts to their satisfaction shall allow such claim accordingly:

Provided that any claim under section thirty-eight or any claim under subsection (1) of section thirty-nine of this Act as to tax under Schedule A may be made to the general commissioners.

(2) The special commissioners shall require every such claim to be verified by affidavit, and proof of the claim may be given by the treasurer,

(ff) Repealed, Act of 1933, s. 31 (2) and Eighth Sched.

trustee, or any duly authorised agent, on affidavit made before a general or additional commissioner for the division in which such person resides.

(3) Where the special commissioners allow a claim they shall issue an order for repayment.

(4) A person who makes a false or fraudulent claim for exemption under the said sections in respect of any interest, annuities, dividends or shares of annuities charged or chargeable under Schedule C shall forfeit the sum of one hundred pounds, and if such claim is made by any person in his own behalf he shall in addition be liable to be charged in treble the tax so chargeable.

41. Save as hereinbefore provided in the case of income accumulated until the happening of a contingency, no claim for repayment of tax under this Act shall be allowed unless it is made within *six*(*u*) years next after the end of the year of assessment to which it relates(*v*).

PART IV.—SPECIAL PROVISIONS.

42. (*Reduced rates of tax and other relief applicable to the service pay of sailors, soldiers, and others*)(*w*).

43. (*Relief in respect of diminution of profits or gains due to the war*)(*x*).

44. (*Relief where income of year falls short of assessed income by more than ten per cent.*)(*y*).

45. (*Limit to relief in respect of insurance premiums to be calculated by reference to pre-war income*)(*z*).

46.—(1) Where the Treasury have before the commencement of this Act issued or may thereafter issue any securities which they have power to issue for the purpose of raising any money or any loan, with a condition that the interest thereon shall not be liable to tax or super-tax, so long as it is shown, in manner directed by the Treasury, that the securities are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom, the interest of securities issued with such a condition shall be exempt accordingly(*a*).

(2) Where securities so issued for the time being form part of the investments of the foreign life assurance fund of an assurance company, the income arising from those securities, if applied for the purposes of that

(*u*) Extended to six years, Finance Act, 1923, s. 30 (1).

(*v*) See Finance Act, 1919, s. 17.

(*w*) Repealed, Finance Act, 1920, s. 64 (3), and Fourth Sched.

(*x*) Repealed, Finance Act, 1921, s. 25.

(*y*) Repealed, Finance Act, 1921, s. 25.

(*z*) This provision appears to be obsolete.

(*a*) As to appeal, see Act of 1924, s. 27.

fund or re-invested so as to form part of that fund, shall not be liable to tax.

(3) Where the special commissioners are satisfied that any income arising abroad from the investments of the foreign life assurance fund of an assurance company has been remitted to the United Kingdom and invested, as part of the investments of that fund, in any such securities issued as aforesaid, that income shall not be liable to tax, and any tax paid thereon shall, if necessary, be repaid to the company.

(4) Where any securities have before the commencement of this Act been issued or are hereafter issued in the United States of America by a municipal corporation, county council or other local authority in the United Kingdom for the purpose of raising any money which they are authorised to borrow, the securities, if issued under the authority of the Treasury, shall not be liable to tax or super-tax, except where they are held by persons domiciled in the United Kingdom or by British subjects ordinarily resident in the United Kingdom.

The expression "local authority" in this subsection includes the Metropolitan Water Board and any other public body which is recognised as a local authority for the purpose of this subsection by the Local Government Board.

47.—(1) The accumulated interest payable in respect of any war savings certificate issued by the Treasury through the Post Office, under which the purchaser, by virtue of an immediate payment of fifteen shillings and sixpence, becomes entitled after five years to receive the sum of one pound, shall not be liable to tax so long as the amount of the certificates held by the person who is for the time being the holder of the certificate, does not exceed the amount which an individual is for the time being authorised to hold under regulations made by the Treasury (b).

(2) Where the currency of any war savings certificate has been extended under *any Act (c)*, the foregoing provisions of this section shall apply with respect to any interest payable in respect of the certificate for the period after the expiration of five years from the date on which it was issued up to the date on which it is repaid or redeemed as it applies to the said accumulated interest.

48. * * * (Repealed.)

49.—(1) (Repealed.)

(2) The Treasury may direct that any Exchequer bonds, issued under their authority during the continuance of the present war and a period of

(b) This includes a reference to any national savings certificates issued by the Treasury through the Post Office Savings Bank Act, 1920 (10 & 11 Geo. 5, c. 12), s. 7. See Finance Act, 1922, s. 28.

(c) Words substituted by Finance Act, 1919, s. 24.

six months thereafter, and any securities issued under the War Loan Acts, 1914 to 1917, or any Act amending those Acts shall be issued, or shall be deemed to have been issued, subject to the condition that the interest on the bonds and securities shall be paid without deduction of tax, and the interest shall be so paid accordingly, but any such interest shall be chargeable under Case III, of Schedule D.

(3). Where interest on any securities issued in connection with any Government loan raised for the purposes of the present war is paid without deduction of tax, any person by whom such interest is paid, and any person who receives on behalf of any other person being a registered or inscribed holder of any such security any interest so paid without deduction of tax, and any person who has acted as intermediary in the purchase of any securities on which the interest is payable without deduction of tax shall, on being so required by the Commissioners of Inland Revenue, furnish to them—

- (i) the names and addresses of the persons to whom such interest has been paid or on whose behalf such interest has been received or on whose behalf such securities have been purchased;
- (ii) the amount of the interest so paid or received, or the amount of the securities so purchased.

PART V.—ADMINISTRATION.

Special Commissioners.

67.—(1)

(2) In cases in which the special commissioners have authority to make, sign or allow assessments, or to hear appeals, they shall possess and exercise all the powers of the additional commissioners and general commissioners with respect to assessments, appeals, and the collection and recovery of tax.

90. (Areas. Parishes for purposes of assessment) (h).

PART VI.—ASSESSMENT.

Provisions as to Assessment.

98.—(1) The assessors appointed to execute this Act shall, within the time, and in the manner, directed by the precept of the general commissioners, cause general notices to be given, requiring all persons who, by this Act, are required to make out and deliver any list, declaration, or statement, to make out and deliver the same to the respective assessors as therein directed within such time as shall be limited by the precept, not being later than twenty-one days from the date of the precept.

(2) General notices shall be given by affixing a notice on, or near to, the door of the church or chapel and market house or cross (if any) of the parish for which the assessors act or, if the parish has no church or chapel or market house or cross, then on or near to the door of the church or chapel nearest to the parish.

(3) The general notices so affixed shall be deemed sufficient notice to all persons resident in the parish, and the affixing of the same, in manner aforesaid, shall be deemed good service thereof.

(4) The assessors shall cause the notices to be from time to time replaced, if necessary, during ten days before the time required for the delivery of the said lists, declarations, and statements.

(5) Any person wilfully tearing, defacing or obliterating any such notice so affixed shall forfeit a sum not exceeding twenty pounds.

99.—(1) The assessors shall, within the time directed by the precept of the general commissioners, give a particular notice to every person chargeable within the limits wherein they act, requiring him, within such time as shall be limited by the precept, to prepare and deliver to the assessors all such lists, declarations, and statements as are required by this Act to be delivered.

(2) A particular notice may be given either personally, or by leaving a notice at the dwelling-house, place of residence or place of business of the person chargeable, or on the premises to be charged by the assessment.

100.—(1) Every person chargeable under this Act, when required to do so by any general or particular notice given in pursuance of this Act, shall, within the period limited by such notice, prepare and deliver to the assessor, a true and correct statement in writing as required by the Act, signed by him, containing—

(a) the annual value of all lands and tenements in his occupation, whether situate in one, or more than one, parish;

(b) the amount of the profits or gains arising to him, from each and every source chargeable according to the respective schedules, estimated for the period and according to the provisions and rules of this Act.

(2) To the said statement shall be added a declaration that such values or amounts are estimated in respect of all the sources of income mentioned in this Act, describing the same, after deducting only such sums as are allowed.

(3) Every such statement shall be made exclusive of any interest of money or other annual payment arising out of the property of any other person charged in respect thereof.

(4) Every person upon whom a particular notice has been served by an assessor requiring him to deliver a statement of any profits, gains, or

income in respect of which he is chargeable under Schedule D or Schedule E, shall deliver a statement in the form required by the notice, whether or not he is so chargeable;

Provided that the penalty inflicted upon any person proceeded against for not complying with this provision who proves that he was not chargeable to tax, shall not exceed five pounds for any one offence.

101.—(1) Every person acting in any character on behalf of any incapacitated person or person not resident in the United Kingdom who, by reason of such incapacity or non-residence in the United Kingdom, cannot be personally charged under this Act, shall, whenever required to do so by any general or particular notice within the like period, and in any parish in which he may be chargeable on his own account, deliver such a statement as in the last preceding section is described of the profits or gains in respect of which the tax is to be charged on him on account of that other person, together with the prescribed declaration.

(2) Where two or more such persons are liable to be charged for the same person—

- (a) one statement only shall be required to be delivered which may be made by them jointly, or by any one or more of them; and
- (b) notice in writing may be given by any such persons to the general commissioners for each division in which they are called upon for a statement stating in which parish or parishes they are respectively chargeable on their own account, and in which of those parishes they desire to be charged on behalf of the person for whom they act, and they shall, if any one of them be liable to be charged on his own account in that parish, be charged therein accordingly by one assessment.

102.—(1) If any person shall come into a parish in which he has not been charged to tax, the assessor, collector, or surveyor may give him notice in writing to deliver, within fourteen days from the giving of the notice—

- (a) a declaration in writing, signed by him, specifying the parish and county in which he has been assessed; or
- (b) in default thereof, a statement in order that he may be assessed and charged in the parish into which he has come.

(2) A person who neglects or refuses to deliver, within the time limited, any such declaration or statement, or who makes a declaration or statement which is false or untrue in any particular, shall forfeit a sum not exceeding twenty pounds.

(3) If in any case a person who is, or who resides, in any parish has not been assessed therein, the commissioners acting for the parish may assess him, as though he had been resident there at the time of the publication of the general notices directed by this Act, unless he proves to their satisfaction that he has been duly assessed in some other parish.

103.—(1) Every person who, in whatever capacity, is in receipt of any money or value, or of profits or gains arising from any of the sources mentioned in this Act, or of belonging to any other person who is chargeable in respect thereof, or who would be so chargeable if he were resident in the United Kingdom and not an incapacitated person, shall, whenever required to do so by any general or particular notice, prepare and deliver, within the period mentioned in such notice, a list in the prescribed form, signed by him, containing—

- (a) a true and correct statement of all such money, value, profits or gains;
- (b) the name and address of every person to whom the same shall belong;
- (c) a declaration whether every such person is of full age, or a married woman living with her husband, or a married woman whose husband is not accountable for the payment of any tax charged on her, or is resident in the United Kingdom or is an incapacitated person.

(2) If any person above described is acting jointly with any other person, he shall, in like manner, deliver a list of the names and addresses of all persons joined with him at the time of delivery of the list mentioned in the last preceding subsection.

(3) (a) A trustee who has authorised the receipt of profits arising from trust property by the person entitled thereto, or by the agent of such person, if that person or agent shall actually receive the same under that authority; or

(b) An agent or receiver of any person resident in the United Kingdom, other than an incapacitated person,

shall not, if he returns a list, as required by this section, of the name, address and profits of that person, be required to do any other act for the purpose of the assessment of that person, unless the commissioners acting in the execution of this Act in respect of the assessment to be made on that person, require the testimony of the trustee, agent, or receiver, as the case may be, in pursuance of the provisions of this Act.

104. Every person, when required to do so by a general or particular notice under this Act shall, within the time limited thereby, prepare and deliver to the assessor a list, in writing, containing to the best of his belief—

- (a) the name of every lodger or inmate resident in his dwelling-house; and
- (b) the name and ordinary place of residence of any such lodger or inmate who has any ordinary place of residence elsewhere at which he can be assessed and who desires to be assessed at such ordinary place of residence.

105.—(1) Every employer, when required to do so by notice from an assessor, shall, within the time limited by the notice, prepare and deliver to the assessor a return containing—

- (a) the names and places of residence of all persons employed by him; and
- (b) the payments made to those persons in respect of that employment, except persons who are not employed in any other employment and whose remuneration in the employment for the year does not exceed *one hundred and twenty-five pounds(h)*,

and the provisions of this Act with respect to the failure to deliver lists, declarations, and statements, in accordance with a general or particular notice, shall apply to any such return:

Provided that an employer shall not be liable to any penalty for omitting from any such return the name or place of residence of any person employed by him and not employed in any other employment, if it appears to the general commissioners, on inquiry before them, that such person is entitled to total exemption from tax.

(2) Where the employer is a body of persons, the secretary of the body, or other officer (by whatever named called) performing the duties of secretary, shall be deemed to be the employer for the purposes of this section, and any director of a company, or person engaged in the management of a company, shall be deemed to be a person employed.

(3) This section shall extend, in the case of weekly wage-earners to whom the provisions of this Act as to quarterly assessment apply, so as to enable returns to be required at such times and intervals as may be fixed by regulations made by the Commissioners of Inland Revenue.

(4) Where an employer is a body corporate (including a company), that body corporate shall be liable to a penalty for failure to deliver a return in pursuance of this section, as well as the secretary or other officer performing the duties of secretary of the body corporate.

106.—(1) The chamberlain or other officer acting as treasurer, auditor or receiver for the time being of any body of persons chargeable to tax, shall be answerable for doing all such acts as are required to be done under this Act, for the purpose of the assessment of such body and for payment of the tax, and for the purpose of the assessment of the officers and persons in the employment of such body:

Provided that, in the case of a company, the person so answerable shall be the secretary of the company or other officer (by whatever name called) performing the duties of secretary.

(h) Words substituted, Act of 1925, s. 15 (4); No. 2, Act of 1931, s. 8 (1), and Fourth Sched.

(2) Every such officer as aforesaid may from time to time retain out of any money coming into his hands, on behalf of the body, so much thereof as is sufficient to pay the tax charged upon the body, and shall be indemnified for all such payments made in pursuance of this Act.

107.—(1) A person who neglects or refuses to deliver, within the time limited in any general or particular notice, or wilfully makes delay in delivering a true and correct list, declaration, or statement, which he is required under this Act to deliver, shall—

- (a) if proceeded against before the general commissioners, forfeit a sum not exceeding twenty pounds and treble the tax which he ought to be charged under this Act, and such penalty shall be recovered in the same way as any other penalty under this Act, and the increased tax shall be added to the assessment; or
- (b) if proceeded against by action or information in any court, forfeit a sum of fifty pounds (i).

(2) The commissioners shall also proceed to assess or cause to be assessed every such person who makes default as aforesaid.

(3) If any person who is required to deliver a list, declaration, or statement on behalf of any other person, delivers an imperfect list, declaration, or statement, and declares himself unable, within the time limited, to deliver a more perfect list, declaration, or statement, and states the reasons for his inability, he shall not, if the said commissioners are satisfied with his explanation and grant further time for delivery, be liable to the penalty prescribed by this section, if he delivers, within the further time granted, as perfect a list, declaration, or statement as the nature of the case permits.

(4) Provided as follows:—

- (a) If it appears to the commissioners, on enquiry before them, that a person, to or on whom the assessor has not delivered or served a particular notice, is entitled to exemption from tax, that person shall not be liable to any penalty for not delivering a statement:
- (b) A person chargeable in any department of office by commissioners specially appointed to act for that department, in respect of profits arising from an office, pension, or stipend, shall not be liable to any penalty for not delivering a statement thereof unless the assessor for that department has required a statement from him by a particular notice.

108.—(1) The assessor shall make out and deliver to the surveyor of the district a list containing—

- (a) the names of all persons to or on whom notices ought to the

(i) Increased to £20 and treble the tax with which the offender ought to be charged under the Act of 1918, by sect. 23 (2) of the Act of 1923.

best of his knowledge to be delivered or served in pursuance of this Act;

(b) the names of all persons who are to the best of his knowledge chargeable within the limits of the assessor. . . . (ii);

(2) The assessor for every parish shall appear personally before the general commissioners, at a meeting appointed by them, and shall make oath, before them, that the general notices prescribed by this Act have been duly fixed . . . (iii), and that the list delivered by him to the surveyor contains the name of every person, within his knowledge, to or on whom notice was required to be delivered or served.

(3) If any assessor neglects to appear before the said commissioners, refuses to take the oath, or omits or neglects to return to the surveyor the name of any person whose name ought to be included in any such list, he shall forfeit a sum not exceeding twenty pounds.

109. The surveyor may at any time cause a notice to be delivered or served—

(a) to or on any person to whom the assessor has neglected to give a notice which ought to have been given; and

(b) to or on any person coming to reside in any parish after the expiration of the general notices prescribed by this Act.

110.—(1) The assessments under Schedules A and B for any parish shall contain—

(a) the full and just annual value of all lands, tenements, hereditaments and heritages estimated in each particular case as directed by this Act; and

(b) the names of the occupiers and proprietors thereof.

(2) Such assessments, together with all statements which have been delivered to the assessors, both of annual value and of any deductions claimed to be made therefrom, shall be progressively numbered.

111. (*Instruction and assistance of assessors.*)

112. If the surveyor or (m) the assessor does not receive a statement from a person liable to be charged to tax, the assessor (m) shall to the best of this information and judgment—

(a) make an assessment upon that person of the amount at which he ought to be charged under Schedules A, B, and E; and

(b) estimate the amount at which that person ought to be charged under Schedule D, and make a return to the commissioners of the name and address of that person and of any other particulars which the commissioners may require.

(ii) Paras. (a) and (b) substituted and paras. (c) and (d) omitted, Act of 1927, s. 46, and Fifth Sched., Part III.

(iii) Words omitted, *ibid.*

(m) Words inserted and substituted, Act of 1927, s. 46, and Fifth Sched., Part III.

113. (*Delivery and examination of assessments and statements.*)

114. (*Inspection of parish books.*)

115. (*Production of rate books to general commissioners.*)

116.—(1) If—

(a) a person chargeable does not, after due notice under this Act, deliver a statement of the annual value of property in his occupation, estimated according to the provisions and rules applicable to the case; or

(b) the commissioners are not satisfied with any statement which has been delivered,

the assessor or surveyor, as the case may be, on obtaining a signed order of the general commissioners to that effect, and after two days' notice to the occupier, may, with the assistance of a person or persons of skill named in the order, at all seasonable times in the day time, view and examine any lands or property chargeable, in order to make a survey thereof, or otherwise to ascertain the annual value at or by reference to which the same ought to be charged, and may enter upon any lands or grounds whether enclosed or not, and measure and survey the same, if he cannot otherwise ascertain the annual value thereof.

(2) (n).

117. (*Powers of assessors for public departments.*)

118.—(1) The clerks to the respective general commissioners shall, with all convenient speed, abstract the particulars contained in the lists and statements delivered to the commissioners, into books provided for the purpose, and according to the forms prescribed by the Commissioners of Inland Revenue.

(2) The abstracts shall contain the names of the persons delivering such lists and statements, and the several amounts of profits returned by them respectively, and shall be delivered to the commissioners.

(3) Every surveyor who has made the prescribed declaration shall be allowed free access to the books of abstract at all seasonable times and may take copies of or make extracts from the same.

119.—(1) The surveyor may examine all statements and assessments made for any parish for any year of assessment, whether the said assessments have been signed and allowed or not.

(2) Every person having the custody of any statement shall, on request of the surveyor, deliver it into his custody, taking his receipt for the same; and every person having the custody of any assessment shall, on the like request, produce the same to the surveyor, who may take charge of it until he has taken such copies or extracts as may be necessary.

120.—(1) The general commissioners shall take into consideration the assessments under Schedules A, B, and E, delivered by the assessors, after they have been examined by the surveyor, and if he has not objected to the assessments and the commissioners are satisfied that they have been made truly and without fraud, and so as to charge the persons, properties, and profits to which they relate with the full tax which ought to be charged, they shall sign and allow them.

(2) If the surveyor objects to, and applies for the revision of, any such assessment, and suggests, in writing, to the general commissioners any error, mistake, omission, or fraud in making the same, the commissioners shall, to the best of their judgment, rectify the assessment, so that the proper tax may be fully charged according to the intent and meaning of this Act.

121.—(1) Statements of profits or gains under Schedule D shall, unless an assessment thereon is required to be made by the special commissioners, be laid before the additional commissioners.

(2) Within a reasonable time after the surveyor has examined the statements, the additional commissioners shall appoint meetings for the consideration of all such statements as are then, or from time to time, delivered to them.

(3) If—

(a) the additional commissioners are satisfied that a statement has been *bonâ fide* made in accordance with this Act, and so as to enable them to assess the person with the full tax which ought to be charged; and

(b) no information is given to the additional commissioners as to the insufficiency of the statement, and the surveyor makes no objection thereto, which he is hereby authorised to make for sufficient cause,

the additional commissioners shall direct an assessment to be made in accordance with the statement:

Provided as follows:—

(i) If the surveyor then declares himself dissatisfied with the determination of the said additional commissioners, as not being in accordance with the true intent and meaning of this Act, he may require them to state and sign a case, giving their determination thereon, for the opinion of the general commissioners for the division, which they shall sign and state accordingly:

(ii) The case so stated and signed shall be delivered to the surveyor, who shall transmit it to the general commissioners. The general commissioners shall, with all convenient speed, return

the case with their opinion subscribed thereon, and the assessment shall be altered or confirmed accordingly.

(4) If—

- (a) a person makes default in the delivery of a statement in respect of any tax under Schedule D. with which he has not been otherwise charged; or
- (b) the additional commissioners are not satisfied with a statement which has been delivered, or have received any information as to its insufficiency; or
- (c) the surveyor makes an objection in writing to a statement as aforesaid, setting forth the cause thereof,

the additional commissioners shall make an assessment on the person concerned in such sum as, according to the best of their judgment, ought to be charged on him.

(5) The additional commissioners may refer any statement to the general commissioners, without making any assessment thereon, by delivering to them a case in writing setting forth the matters in question, either of law or of fact, relating thereto, and the general commissioners shall proceed to enquire into the merits of such statement, in the like manner as they are authorised to do in the case of an appeal against an assessment, and thereupon an assessment shall be made in accordance with the determination of the general commissioners.

(6) The surveyor may, at all seasonable times, examine any assessment made by the additional commissioners before it is delivered to the general commissioners, and, if he discovers any error requiring amendment, he shall certify the same to the commissioners by whom the assessment was made, who, on sufficient cause shown to them, shall make any amendment which they consider is required.

(7) If the surveyor makes an objection in writing to the additional commissioners, which he is hereby authorised to do upon sufficient cause, as to the amount of an assessment made by them, they shall certify his objection, together with their reasons for making the assessment, and any information they have obtained respecting it, to the general commissioners.

(8) The surveyor shall give notice of his objection and particulars thereof to the person assessed, in order that he may appear before the general commissioners in support of the assessment.

122.—(1) The additional commissioners shall, as their assessments are from time to time completed, cause to be made out and entered in books provided for the purpose, certificates of assessments, in the form prescribed by the Commissioners of Inland Revenue, distinguishing the parish for which each assessment is made, and containing—

- (a) the names, surnames, and addresses of the persons assessed, progressively distinguished by numbers or letters; and
- (b) the sums which ought to be paid by them respectively.

(2) The assessment shall be signed by the additional commissioners, and shall be delivered from time to time, together with the statements delivered by the persons assessed, and any particulars furnished by the respective assessors relating to the assessments, under cover sealed up, to the general commissioners, but no notice of any such assessment shall be delivered to any person assessed until fourteen days after the surveyor has had notice of the delivery of the assessments, so signed as aforesaid, to the general commissioners.

(3) The assessments under Schedule D, certified and delivered by the additional commissioners to the general commissioners shall be allowed and confirmed by the general commissioners after the time for hearing appeals against such assessments has expired.

123.—(1) A person chargeable under Schedule D, who does not claim the exemption granted in a case where the total income from all sources does not exceed one hundred and thirty pounds a year, may require that all proceedings in order to an assessment upon him under that schedule shall be taken before the special commissioners, instead of before the additional or the general commissioners, and in that case shall deliver a notice of his request *together with the statement of his profits or gains to the surveyor of the district.*¹ The notice and statement shall be delivered within the time limited by the general notice under this Act for delivery of lists and statements.

(2) The surveyor shall, after examining the statement, make an assessment to the best of his judgment, and deliver a certificate thereof, together with the statement, to the special commissioners, who, after examination thereof, shall sign and allow such an assessment as appears to them just and proper, which shall be subject to appeal as hereinafter provided.

(3) The special commissioners shall notify the amount of the charge to the person charged, who shall pay the tax to the proper officer.

124. Assessments in respect of the annual value or profits or gains arising from a railway shall be made by the special commissioners, who shall notify their assessment to the secretary or other officer of the company upon which it is made, and the amount of the assessment shall be paid, collected, and levied in like manner as any other assessment made by the special commissioners.

¹ Words substituted, Act of 1927, Sec. 46, and Fifth Sched., Part III.

*Additional Assessments.***125.—**(1) If the surveyor discovers—

that any properties or profits chargeable to tax have been omitted from the first assessments; or

that a person chargeable has not delivered any statement, or has not delivered a full and proper statement, or has not been assessed to tax, or has been undercharged in the first assessments; or

that a person chargeable has been allowed, or has obtained from and in the first assessments, any allowance, deduction, exemption, abatement, or relief not authorised by this Act,

then and in every such case—

(i) where the tax is chargeable under Schedule A, B, or E:—

(a) If the first assessments have not been signed and allowed, the surveyor shall amend the assessment and assess the person liable to the full amount, and at the full rate of tax, at which he ought to be charged;

(b) If the first assessments have been signed and allowed, the surveyor shall certify the particulars to the general commissioners, who shall sign and allow an additional first assessment in accordance therewith:

Provided that any such additional first assessment shall be subject to appeal and other proceedings as in the case of a first assessment:

(ii) where the tax is chargeable under Schedule D, the additional commissioners shall make an assessment, on the person chargeable, in an additional first assessment, in such a sum as, according to their judgment, ought to be charged, and any such assessment shall be subject to objection by the surveyor, and to appeal.

(2) An assessment may be amended, or an additional first assessment may be made at any time not later than six(*k*) years after the expiration of the year of assessment.

(3) Any assessments not made at the time when the first assessments are signed and allowed shall, as soon as they are made, be added to the first assessments, and to the respective duplicates thereof, by means of separate forms of assessment and duplicate.

Surcharges.

126.—(1) If the surveyor discovers that a person liable to tax has not been charged in respect thereof in any first or additional first assessment, he may, at any time within three(*k*) years after the expiration of

(*k*) Extended to six years by Finance Act, 1923, Sec. 29 (1).

the year of assessment for which that person ought to have been charged, surcharge, to the best of his judgment, the person liable, to the amount which ought to have been charged for that year.

(2) In every such case the surveyor shall certify the particulars of the omission, and of the surcharge, to the general commissioners, and shall give to any person so surcharged notice of the surcharge and particulars thereof.

(3) The general commissioners, upon the delivery of the certificate and upon oath being made, by the surveyor or some other credible witness, that service of the notice of surcharge has been duly made upon the person surcharged, shall sign and allow the certificate, as hereinafter prescribed, subject to appeal.

(4) Any such certificate of surcharge shall not be signed or allowed, nor shall any appeal against the surcharge be heard, by the general commissioners, before the expiration of ten days after service of the notice of surcharge.

(5) The certificate of the surveyor, together with the oath of service of the notice of surcharge, shall be sufficient proof of the contents thereof, unless, on the production of the notice to the general commissioners, the contrary is shown by the person surcharged, and no other proof than as aforesaid of the contents of any such notice shall be required before the certificate is signed and allowed, or on appeal therefrom, or in any matter relating thereto.

(6) The oath of service of notice of surcharge shall be to the effect that a notice was duly served, upon each person mentioned in the certificate, containing the particulars as set forth therein, on the day or days mentioned in the certificate.

127.—(1) A person to whom such a notice of surcharge has been given may, whether he has previously delivered a statement or not, within ten days from the service of the notice—

(a) deliver to the surveyor a true and perfect return, containing all the particulars required by this Act; or

(b) give notice in writing to the surveyor that he abides by the statement previously delivered by him.

(2) To such return or notice shall be annexed a declaration signed by the person to whom the notice of surcharge was given, and further signed and attested by one or more credible witnesses, and the declaration shall state, as the case may require—

(a) the grounds and cause of the neglect to deliver a statement; or

(b) the grounds and cause of every omission made, or stated in the notice of surcharge to have been made, in any statement delivered by him; or

- (c) the grounds and cause of every claim of exemption, abatement, relief, allowance, or deduction made in any such statement; and
- (d) that the statement by which he abides, or the return to which the declaration is annexed, is a true and perfect return of all particulars required by this Act, to the best of the judgment and belief of the declarant; and
- (e) that any neglect, omission, or claim was not made with intent to defraud the revenue.

(3) If a person, in any such declaration as aforesaid, wilfully and fraudulently declares anything which is false, he shall be guilty of a misdemeanour, and shall be liable to imprisonment not exceeding six months, and to a fine not exceeding treble the amount of tax for which he has been surcharged, as the court shall order.

The indictment for any such misdemeanour shall be laid in the county in which the declaration was exhibited to the general commissioners.

(4) If the surveyor is satisfied with the statement or return and the declaration, he may certify his satisfaction therewith to the general commissioners, and the commissioners shall thereupon cause the person surcharged to be charged on the amount set forth in the statement or return, in single rate of tax.

128.—(1) The surveyor may object to any such statement, return, or declaration, and in that case—

- (a) he shall serve notice of objection on the person surcharged; and
- (b) he shall certify the statement or return and the declaration together with the cause of his objection, to the general commissioners.

(2) The general commissioners shall thereupon cause a charge to be made, in accordance with the said certificate of objection, and no abatement shall be made therefrom, except upon an appeal by the person surcharged.

129.—(1) If, within ten days after the service of the notice of surcharge, the person surcharged delivers a return and declaration to which the surveyor objects, that delivery shall operate as a notice of appeal to the general commissioners against the surcharge.

(2) If the person surcharged does not, before the expiration of ten days after service of the notice of surcharge, deliver a return or declaration, the general commissioners may, if he or his agent appears upon the day appointed for hearing appeals against surcharges and delivers a return and declaration as is herein required, hear and determine the matter, although the person surcharged has not given notice of his intention to appeal.

(3) If, upon the said duty, neither the person surcharged nor his agent

appears, or in default of the delivery of a return or declaration as aforesaid, the general commissioners shall confirm the certificate of surcharge.

(4) If—

- (a) the commissioners do not meet before the time limited for the hearing of appeals from the surcharges of the surveyor; or
- (b) the surveyor has not had notice of a meeting of the commissioners,

the commissioners shall, at their next subsequent meeting, sign and allow the certificates, and afterwards hear and determine all appeals therefrom.

(5) No surcharge shall be allowed and signed unless the certificate thereof has been delivered to the general commissioners within *six*(1) years after the expiration of the year of assessment in respect of which the surcharge is made.

(6) In default of a meeting of the commissioners, the delivery of a certificate of surcharge by the surveyor to their clerk shall be a sufficient delivery.

130.—(1) A certificate of surcharge, as aforesaid, shall be sufficient authority to the general commissioners for causing supplementary assessments to be made from time to time.

(2) Supplementary assessments shall include—

- (a) all surcharges according to the certificates of surcharge, amended in cases requiring amendment, according to the determination of the commissioners;
- (b) all treble tax, or any part thereof, assessed over and above the rate or rates of tax prescribed; and
- (c) all penalties imposed by the commissioners for offences under this Act.

Weekly Wage-earners.

131. The Commissioners of Inland Revenue may make regulations generally, with respect to the assessment, charge and collection of income tax, in the case of weekly wage-earners to whom the provisions of this Act with regard to quarterly assessment apply, and with respect to the procedure to be adopted for the purpose, and may, in particular, by those regulations in the case of those weekly wage-earners, provide for assessment and charge by the surveyor, and for collection by a collector appointed by them, and for the application of the provisions and rules applicable to Schedule E, in cases where those provisions and rules are not otherwise applicable, but the right of appeal to the general commissioners shall not be affected.

Provisions against Fraudulent Practices.

132.—(1) Where a person who ought to be charged with tax, as directed by this Act, is not duly assessed and charged by reason that he has—

- (a) fraudulently changed his place of residence or fraudulently converted, or fraudulently released, assigned, or conveyed any of his property; or
- (b) made and delivered any statement or schedule which is false or fraudulent; or
- (c) fraudulently converted any of his property, which was chargeable, by altering any security relating thereto or by fraudulently rendering it temporarily unproductive, in order not to be charged for the same or any part thereof; or
- (d) been guilty of any falsehood, wilful neglect, fraud, covin, art or contrivance whatsoever,

such person shall, on proof thereof to the general commissioners for the division in which he has been charged, or, if he has not been charged, then for any division in which he is chargeable^(m), be assessed and charged treble the amount of the charge which ought to have been made upon him:

Provided that, if any charge has been made, but that charge is less than the charge which ought to have been made, such person shall be assessed and charged, over and above the former charge, treble the amount of the difference between the charge which was made and the charge which ought to have been made, such amount to be added to the assessment.

(2) A person who knowingly and wilfully aids, abets, assists, incites or induces another person to make or deliver a false or fraudulent account, statement, or declaration of or concerning any profits or gains chargeable, or the yearly rent or value of any lands, tenements, hereditaments or heritages, or any matters affecting any such rent or value, shall for every such offence forfeit the sum of fifty pounds⁽ⁿ⁾.

PART VII.—APPEALS.

133.—(1) (a) Save where expressly authorised by this Act, the general commissioners shall not alter any assessment before the time for hearing and determining appeals, and then only in cases of assessments appealed against, and in accordance with their determination.

(b) If the clerk to the commissioners or any other person makes, causes, or allows to be made, in any assessment, any unauthorised alteration, he shall incur a penalty of fifty pounds.

^(m) See Act of 1927, Sec. 44 (4).

⁽ⁿ⁾ Increased to £500 by Sec. 23 (3) of the Act of 1923,

(2) An appeal, once determined by the commissioners, shall be final, and neither the determination of the commissioners, nor the assessment made thereon, shall be altered, except by order of the court when a case has been required as provided by this Act.

(3) Where an objection has been made by the surveyor to an assessment upon any person, and that objection has been dealt with and determined on appeal, the surveyor shall not, thereafter, make any further charge for the same year, upon that person, in respect of the same matter, property, or profits included in the assessment to which the objection, so determined, was made.

134.—(1) As soon as the assessments under Schedules A and B for any parish have been signed and allowed, the general commissioners shall cause notice thereof, and of the day for hearing appeals therefrom, to be given in such manner as they deem expedient.

(2) Any such notice may be given—

(a) by delivering a copy of the assessment to the assessor of the parish for inspection by the persons assessed, together with a notice of the day of appeal, to be affixed on or near to the church door or on any other public place in the parish; or

(b) by delivering to each person assessed a notification of the amount of his assessment and of the day of appeal.

(3) With respect to assessments under Schedule D, the general commissioners shall cause a general notice to be fixed up in their office, or left with their clerk, and also to be affixed on or near the door of the church or chapel of each parish or if there be no such church or chapel in any such parish, of the church or chapel of some adjoining parish, limiting a reasonable time for hearing appeals, and, except as otherwise provided in this Act, no appeal shall be heard after the time so limited.

135. Notice of appeal meetings to be held by the general commissioners shall also be given to the surveyor by the clerk to the commissioners.

136.—(1) A person aggrieved by any assessment upon him, made by the additional commissioners, or by the assessor for any parish, or by a surveyor, in any first or additional first assessment, or by any objection by the surveyor to an assessment made by the additional commissioners, shall be entitled to appeal to the general commissioners, on giving notice in writing to the surveyor, within twenty-one days after the date of the notice of such assessment or objection.

(2) Any owner or other person in receipt of the rent of any lands, although not the occupier thereof, who is aggrieved by the amount of the annual value of the lands under Schedule A shall have the same right of appeal to the general commissioners as if the assessment were made upon himself.

(3) If it be shown to the satisfaction of the general commissioners that owing to absence, sickness or other reasonable cause, any person has been prevented from appealing in due time, or from attending at the hearing of an appeal on the day fixed for that purpose, they may postpone the hearing of his appeal for such reasonable time as they think necessary, or may admit the appeal to be made by any agent, clerk or servant on his behalf.

(4) (a) On the application of any person who has been assessed, and who has removed from the division in which the assessment was made, without having appealed in that division, the Commissioners of Inland Revenue may, if they think fit, authorise the commissioners of the division to which that person has removed to hear and determine his appeal against the assessment, and those commissioners shall proceed accordingly.

(b) Any sum from which the appellant may not be relieved on such appeal, shall be recovered and levied as if the appeal had been heard and determined by the commissioners of the division in which the assessment was made.

137.—(1) The general commissioners shall cause notice of the day for hearing appeals to be given to every appellant, and shall meet together for the hearing of appeals from time to time, with or without adjournment, until all appeals have been determined.

(2) The surveyor and the assessor may attend every appeal, and shall be entitled—

(a) to be present during all the time of the hearing, and at the determination of the appeal; and

(b) to produce any lawful evidence in support of the assessment or surcharge; and

(c) to give reasons in support of the assessment or surcharge.

(3) (a) Upon any appeal, the general commissioners *shall* (n) permit any barrister or solicitor to plead before them on behalf of the appellant or officers, either *vivâ voce* or in writing, and *shall* (n) hear any accountant.

(b) (o).

(c) In this sub-section “accountant” means a person who has been admitted a member of an incorporated society of accountants.

(4) If, on an appeal, it appears to the majority of the commissioners present at the hearing, by examination of the appellant on oath or affirmation, or by other lawful evidence, that the appellant is overcharged by any assessment or surcharge, the commissioners shall abate or reduce

(n) Words substituted, Act of 1923, Sec. 25.

(o) Para. (b) repealed, Act of 1923, Sec. 39 (4) and Sched.

the assessment or surcharge accordingly, but otherwise every such assessment or surcharge shall stand good.

(5) If, on any appeal, it appears to the commissioners that the person assessed or surcharged ought to be charged in an amount exceeding the amount claimed in the assessment or surcharge they shall charge him with the excess.

(6) (a) Appeals against surcharges shall be heard and determined in like manner as appeals against first assessments.

(b) If a surcharge is allowed on appeal by the general commissioners, in whole or in part, the assessment shall be made upon the amount of the surcharge allowed in treble the rate of tax prescribed:

Provided that, if the commissioners are of opinion—

(i) that the assessment might have been amended by the surveyor by means of the original statement of the appellant;

(ii) that the alleged default, neglect, or omission, or the claim of exemption, abatement, relief, allowance, or deduction was not wilfully made with intent to defraud the revenue;

(iii) that the appellant was prevented from making an amended return in due time by absence, sickness, or other sufficient cause;

(iv) that there was reasonable cause of doubt or controversy, on the part of the appellant, on the subject-matter of appeal;

the commissioners may remit the treble rate of tax, in whole or in part, and may charge at the single rate of tax only.

138.—(1) If on appeal against an assessment under Schedule A or Schedule B any dispute arises as to the annual value of any lands, tenements, hereditaments, or heritages, the general commissioners may, if they consider it necessary, and shall, if required by the appellant, direct the appellant to cause a valuation to be made by a person of skill named by them, and may require the same to be verified on the oath of such person, and the annual value shall be determined in accordance with that valuation.

(2) If the appellant does not proceed, with effect, to cause such valuation to be made, the commissioners shall determine the annual value according to the best of their judgment.

(3) The costs and charges of any such valuation shall abide the final determination of the commissioners, and, if the value so found exceeds the value alleged by the appellant, the commissioners may order him to pay the costs and charges of the valuation, but if they are of opinion that such costs and charges have not been incurred through any default of the appellant, they shall issue an order for the payment of the said costs and charges by the Commissioners of Inland Revenue.

(4) (p).

139.—(1) If the general commissioners have received notice of appeal against an assessment made by the additional commissioners, or see cause to allow the objection of the surveyor to any such assessment, they shall issue a precept to the appellant ordering him to deliver to them, within the time limited by the precept, a schedule containing such particulars, for their information, as they may demand under the authority of this Act respecting—

- (a) the property of the appellant; or
- (b) the trade, profession, employment or vocation carried on or exercised by him; or
- (c) the amount of his profits or gains, distinguishing the particular amounts derived from each separate source; or
- (d) any deductions made in arriving at his profits or gains,

which particulars the said general commissioners are hereby empowered and required to demand at their discretion whenever the same shall appear to them necessary for the purposes mentioned in this Act.

(2) The general commissioners may issue further precepts whenever they consider it necessary for the purposes aforesaid, until complete particulars have been furnished to their satisfaction.

(3) A person to whom a precept is issued shall deliver the schedule required, within the time limited, and in default thereof, shall forfeit a sum not exceeding twenty pounds and treble the tax at which he ought to be charged.

(4) Any surveyor may, at all reasonable times, inspect and take copies of or extracts from any schedule.

140.—(1) A person who has delivered a statement or schedule and discovers any omission or wrong statement therein, may deliver an additional statement or schedule rectifying the same, and shall not thereafter be liable to any proceeding by reason of his omission or wrong statement.

(2) A person who has not delivered a statement or schedule, within the time limited, may deliver it at any time before proceedings for recovery of a penalty, incurred in respect of such non-delivery, have been commenced, and thereafter no such proceedings shall be taken.

(3) (a) If proceedings for recovery of any such penalty have been commenced before the general commissioners, they may, on proof to their satisfaction that no fraud or evasion was intended, stay the proceedings; either on payment of the costs then incurred, or without any such payment.

(b) If proceedings have been commenced in any court, the general commissioners may certify that in their judgment no fraud or evasion was intended, and the court may, on summary application, stay the proceedings, on such terms as to the court may seem fit.

(4) If a person has delivered an imperfect statement or schedule, and satisfies the general commissioners that there is a sufficient reason why a perfect statement or schedule cannot be delivered within due time, the commissioners shall extend the time for delivery as from time to time they think fit. During any such extension of time, a person who has delivered as perfect a statement or schedule as from the nature of the case he was able to deliver, shall not be liable to any penalty for not having delivered a statement or schedule within the time limited.

141.—(1) The surveyor may, within a reasonable time to be allowed by the commissioners to whom an appeal is made after examination by him of any schedule, object to such schedule or any part thereof, and in that case shall state, in writing, the cause of his objection, according to the best of his knowledge or information.

(2) In every such case, he shall give notice in writing of his objection, to the person to be charged in order that he may, if he thinks fit, appeal against the same. The notice shall be under cover and sealed, and addressed to the person to be charged.

(3) No assessment shall be confirmed or altered until any appeal against such objection has been heard and determined.

142. If—

(a) the commissioners to whom an appeal is made see cause to disallow an objection of the surveyor to a schedule; or

(b) on the hearing of an appeal, the commissioners are satisfied with the assessment made by the additional commissioners, or if, after the delivery of a schedule, they are satisfied therewith, and have received no information as to its sufficiency,

they shall direct the assessment to be confirmed or to be altered in accordance with any such schedule, as the case may require.

143.—(1) Whenever the general commissioners are dissatisfied with an assessment delivered to them by the additional commissioners or with a schedule, or if they require further information relating thereto, they may, at any time and from time to time, by precept, put any questions in writing concerning the assessment or schedule, or any matter which is contained or ought to be contained therein, or concerning any deductions made in arriving at the profits or gains, and the particulars thereof, and may require true and particular answers in writing, signed by the person to be charged, to be given within seven days after the service of the precept.

(2) (a) The person to be charged shall, within the time limited, either answer any such questions in writing signed by him, or shall tender himself to be examined orally before the commissioners, and may object to, and refuse to answer, any question, but the substance of any answer or answers given by him orally shall be taken down in writing in his presence, and be read over to him, and after he has had liberty to amend any such answer or answers he may be required to verify the same on oath to be administered to him by any one of the commissioners, and every such oath shall be subscribed by the person by whom it is made.

(b) Where any clerk, agent or servant of the person to be charged tenders himself, on behalf of such person, to be examined orally before the commissioners, the same provisions shall apply to his examination as in the case of the person to be charged who tenders himself to be examined orally.

144.—(1) The general commissioners may summon any person whom they think able to give evidence respecting an assessment made or to be made on another person, to appear before them to be examined, and may examine such person on oath (except the clerk, agent, servant or other person confidentially employed in the affairs of a person to be charged who shall respectively be examined in the same manner, and subject to the same restrictions as in the case of a person to be charged who tenders himself to be examined orally).

(2) The oath shall be that the evidence to be given, touching the matter in question by the person sworn, shall be the truth, the whole truth, and nothing but the truth, and the said oath shall be subscribed by the person by whom it is made.

(3) A person who after being duly summoned—

- (a) neglects or refuses to appear before the commissioners at the time and place appointed for that purpose; or
- (b) appears, but refuses to be sworn or to subscribe the oath; or
- (c) refuses to answer any lawful question touching the matters under consideration,

shall forfeit a sum not exceeding twenty pounds:

Provided that the penalty imposed in respect of any offence under paragraph (b) or (c) hereof shall not apply to any clerk, agent, servant or other person as aforesaid.

145. If—

- (a) a person has neglected or refused to deliver a schedule in accordance with a precept of the commissioners; or
- (b) any clerk, agent, or servant of, or any person confidentially employed by, a person to be charged, having been summoned, has neglected or refused to appear before the commissioners to be examined; or

- (c) the person himself, or his clerk, agent, or servant or other person as aforesaid, has declined to answer any question put to him by the commissioners; or
- (d) an objection has been made to a schedule, and the objection has not been appealed against; or
- (e) the commissioners decide to allow any objection made by the surveyor;

the commissioners shall ascertain and settle, according to the best of their judgment, the sum in which the person chargeable ought to be charged, and shall make an assessment and charge accordingly.

146.—(1) If the general commissioners—

- (a) have made a charge to tax under Schedule D in respect of a sum in excess of the amount contained in either the statement or the schedule of a person to be charged; or
- (b) discover, from the information of the surveyor, or otherwise, that a charge to tax in respect of a sum in excess of either such amount ought to be made, and an assessment is made, at any time within the year of assessment or within three years (p) after the expiration thereof,

they may, unless the person to be charged proves to their satisfaction that the omission by him did not proceed from any fraud, covin, art or contrivance or any gross or wilful neglect, charge that person, in respect of such excess, in a sum not exceeding treble the amount of the tax on the amount of the excess.

(2) If the person to be charged has neglected or refused to deliver a statement or schedule, the said commissioners may charge him in a sum not exceeding treble the amount of the tax with which, in their judgment, he ought to be charged. Such sum shall be added to the assessment and applied in the same manner as other increased charges are applied.

147.—(1) Where proceedings in order to an assessment under Schedule D are taken before the special commissioners, the person assessed, or the surveyor, may appeal against the assessment signed and allowed by those commissioners, in like manner, and under the like provisions, as in the case of appeals against assessments made by the additional commissioners.

(2) Any such appeal shall be determined by the special commissioners, and if either the person assessed, or the surveyor, thereupon expresses dissatisfaction with their determination as being erroneous in any particular, the special commissioners shall, if required to do so, state and sign a special case, setting out the questions which arose on the appeal, and their determination thereon, and transmit it to the Commissioners of Inland

Revenue for their opinion. The Commissioners of Inland Revenue shall subscribe their opinion on the case transmitted to them, and their decision shall be final and conclusive, subject to any relevant provisions of this Act relating to the statement of a case for the opinion of the High Court, and the assessment made shall be altered or confirmed accordingly.

148.—(1) An appeal against—

- (a) an assessment under Schedule D (q) or an objection by a surveyor to such an assessment, or a surcharge under that Schedule;
- (b) an assessment in respect of any concern described in Rules 1 and 2 of No. III. of Schedule A,

may be made to the special commissioners, instead of to the general commissioners, on due notice in writing being given to the surveyor, within the time limited for notices of appeal to the general commissioners in similar cases.

(2) Every such appeal shall be heard and determined by the special commissioners, and their determination shall be final and conclusive, subject to the provisions of this Act relating to the statement of a case for the opinion of the High Court.

(3) Provided that no claimant for the exemption granted by this Act, in a case where the total income does not exceed one hundred and thirty pounds a year, shall be allowed to appeal to the special commissioners, but every such claim shall be heard and determined by the general commissioners.

149.—(1) (a) Immediately after the determination by the general commissioners, or by the special commissioners, of an appeal under this Act, the appellant or the surveyor, if dissatisfied with the determination, as being erroneous in point of law, may declare his dissatisfaction to the commissioners who heard the appeal.

(b) Having declared his dissatisfaction, he may, within twenty-one days after the determination, by notice in writing addressed to their clerk, require the commissioners to state and sign a case for the opinion of the High Court thereon.

(c) The party requiring the case shall pay to the clerk to the commissioners a fee of twenty shillings for and in respect of the same, before he is entitled to have the case stated.

(d) The case shall set forth the facts and the determination of the commissioners, and the party requiring it shall transmit the case, when stated and signed, to the High Court, within seven days after receiving the same.

(q) These provisions are applied to assessments under Sched. E, Finance Act, 1922, s. 19.

(e) At or before the time when he transmits the case to the High Court, the party requiring it shall send notice in writing of the fact that the case has been stated on his application, together with a copy of the case, to the other party.

(2) (a) The High Court shall hear and determine any question or questions of law arising on the case, and shall reverse, affirm, or amend the determination in respect of which the case has been stated, or shall remit the matter to the commissioners with the opinion of the Court thereon, or may make such other order in relation to the matter . . . (qq).

(b) The High Court may cause the case to be sent back for amendment, and thereupon the case shall be amended accordingly, and judgment shall be delivered after it has been amended.

(c) Subject to Rules of Court, the authority and jurisdiction of the High Court may be exercised by a judge of the High Court sitting in chambers, and either in vacation or in term time.

(3) An appeal shall lie from the decision of the High Court or of any judge thereof to the Court of Appeal and thence to the House of Lords, and in Scotland, from the decision of the Court of Session, as the Court of Exchequer in Scotland, to the House of Lords.

(4) Notwithstanding that a case has been required to be stated or is pending before the High Court, tax shall be paid in accordance with the assessment of the commissioners who have been required to state the case:

Provided that, if the amount of the assessment is altered by the order or judgment of the High Court, then—

(a) if too much tax has been paid, the amount overpaid shall be refunded with such interest, if any, as the High Court may allow; or

(b) if too little tax has been paid, the amount unpaid shall be deemed to be arrears of tax (except so far as any penalty is incurred on account of arrears), and shall be paid and recovered accordingly.

150. (*Books of assessment*).

151.—(1) A person who, either on his own account, or on behalf of another person, has been assessed to tax, and is by any error or mistake again assessed for the same year for the same cause and on the same account, may apply to the general commissioners, acting for the division comprising the parish in which the erroneous assessment was made, for relief, and the said commissioners on proof to their satisfaction of the double assessment shall cause the said assessment, or so much thereof as constitutes a double assesment, to be vacated.

(2) If it appears, to the satisfaction of the Commissioners of Inland Revenue, that a person has been assessed more than once for the same cause and for the same year, they shall direct the whole, or such part of any such assessment as appears to be an overcharge, to be vacated, and thereupon the same shall be vacated accordingly.

(3) If it is proved, to the satisfaction of the Commissioners of Inland Revenue, that any such double assessment as aforesaid has been made, and that payment has been made on both assessments, they shall order the amount of the overpayment to be repaid to the applicant.

152. (*Charge duplicates.*)

PART VIII.—COLLECTION.

153.—(1) As soon as any assessments have been signed and allowed by the general commissioners, and the time for hearing appeals against the same has expired, the clerk to the commissioners shall duly prepare, on the prescribed forms, two duplicates thereof, and the commissioners shall forthwith sign and seal them.

(2) The assessments shall be kept by the clerk for the use of the commissioners, and the commissioners shall deliver one of the two duplicates to the surveyor for the district, and the other to the collector for the parish for which the assessments were made, together with a warrant, in the prescribed form, for collecting and levying the tax charged.

(3) Where a collector has been required to give security, the duplicates and warrants shall not be delivered to him until he has given that security.

154.—(1) An extract from any assessment made by the special commissioners, certified under the hand of their clerk, in such form as the Commissioners of Inland Revenue may prescribe, shall be sufficient authority to the proper officer to whom that extract is transmitted to receive, bring to account, and give discharges for the tax included in the extract and paid to him.

(2) If payment is not made to the proper officer, the special commissioners shall make a duplicate of the assessment and deliver it, together with their warrant for levying the amount of tax due, to the collector for the parish in which the person charged resides, who shall levy the same in accordance with the warrant.

155. (*Collection of tax in public departments.*)

156.—(1) Where a person, charged under Schedule D, has declared his intention to pay the tax under a number or letter to the proper officer within the time limited for payment, and the commissioners are satisfied with his declaration, they shall deliver to him a certificate specifying the amount of tax to be paid.

(2) The certificate shall be numbered or lettered in correspondence with the entry in the book of assessments to which it relates, and shall not name or describe the person charged.

(3) The general commissioners shall deliver to the proper officer duplicates of the assessments made by them, containing the sums charged on persons to whom certificates, as aforesaid, have been delivered, without naming any such persons, together with warrants for the receipt of the tax when it becomes payable.

(4) The tax payable on such assessments shall be paid to the proper officer, before the time limited for payment, and the production of the certificate shall be sufficient authority to the said officer to receive the amount therein specified.

(5) On payment of any such amount the said officer shall give a certificate of payment, identified by the number or letter marked on the certificate, but not naming or describing the person on whose behalf payment is made.

(6) The certificate given on any such payment of tax shall be delivered by the person charged to the general commissioners or their clerk, at their office, before the time limited for payment, and a receipt shall be given for the same. The receipt shall be a sufficient discharge for the money certified to have been paid.

(7) Whenever the tax in respect of any such assessment becomes due and in arrear, the general commissioners shall cause that assessment to be added to the duplicates in the hands of one of the respective collectors to whom has been entrusted the collection of tax charged on persons by name, and the tax on that assessment shall be recovered and levied in the same manner, and under the like provisions and powers, as the tax charged on persons by name.

157.—(1) Income tax contained in an assessment for any year shall, except as otherwise provided in this section, be payable on or before the first day of January in that year, but tax included in an assessment for any year, which is signed or allowed on or after the first day of January, shall be deemed to be due and payable on the day next after the day on which the assessment is signed and allowed.

(2) (a) Tax for any year shall, in cases to which this subsection applies, instead of being payable on or before the first day of January in that year, or on such other date as is specified in subsection (1) of this section, be payable in two equal instalments, the first on or before the first day of January in that year, or on such other day as aforesaid, and the second on or before the following first day of July;

But where the assessment is not signed and allowed until after the said following first day of July, this subsection shall not have effect, and

the tax shall be due and payable as provided in subsection (1) of this section ;

(b) This subsection applies in cases of tax charged under No. I., (r) or No. II., of Schedule A and tax charged on any individual or firm under Schedule B in respect of lands occupied for husbandry only, and tax charged on any individual or firm under Schedule D, or the rules thereof, in respect of the profits or gains of any trade or of any profession or vocation, and tax charged on any individual in respect of any office or employment, whether under Schedule D or Schedule E, except individuals whose tax is deducted at definite intervals of less than half a year, and weekly wage-earners whose tax is, under this Act, assessed and charged quarterly.

(c) The provisions of this Act as to the recovery of tax shall apply to each instalment of the tax, in the same manner as they apply to the whole amount of the tax.

(3) Railway companies in England and Ireland shall pay tax under Schedule D by four quarterly payments, that is to say, on or before the twentieth days of June, September, December, and March respectively, in each year.

(4) The tax payable by weekly wage-earners, who under the provisions of this Act are to be assessed and charged quarterly, shall be payable as prescribed by any regulations made by the Commissioners of Inland Revenue.

158.—(1) Every collector shall, when the tax becomes due and payable, make demand of the respective sums contained in the duplicates, and given to him in charge to collect, from the persons charged therewith, or at the places of their last abode, or on the premises in respect of which the tax is charged, as the case may require.

(2) A collector of tax under Schedules A and B shall, in the demand note delivered before payment thereof, distinctly describe the property to which the assessment relates, and specify the amount of the assessment and the rate at which the tax is charged thereon.

(3) On payment of the tax the collector shall, without charge, give a receipt under his hand, on the prescribed form, and if he has failed to give the particulars required by subsection (2) of this section in the demand note, he shall give them in the receipt.

159. Any person, on production to the proper officer of his notice or certificate of assessment, may pay to him in advance any sum therein charged upon him under Schedule D, and such officer, on request made at the time of payment, may make an allowance from the amount payable, calculated at the rate of two pounds ten shillings per cent., per annum on that amount for the period commencing on the day when the payment

was made and ending on the day limited for payment, and such officer shall give a certificate of payment, specifying the amount discharged and the amount of the allowance, by reference to the name, or the number or letter, appearing on the notice or certificate of assessment respectively.

160. If the Commissioners of Inland Revenue make arrangements for the collection of tax by means of stamps in any case, they may prepare and issue any stamps required for the purpose, and the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, as amended by any subsequent Act, and section sixty-five of the Post Office Act, 1908, shall apply to any such stamps.

161.—(1) If a person chargeable to tax is an infant, or dies—

(a) the parent, guardian or tutor of the infant shall be liable for the tax in default of payment by the infant; and

(b) the executor or administrator of the person deceased shall be liable for the tax charged on such deceased person,

and on neglect or refusal of payment any such person so liable as aforesaid may be proceeded against in like manner as any other defaulter.

(2) A parent, guardian or tutor who makes such payment shall be allowed all sums so paid in his accounts, and an executor or administrator may deduct all such payments out of the assets and effects of the person deceased.

(3) If the owner of any lands, tenements, hereditaments, or heritages, occupied by him at the time an assessment for any year under Schedule A was made, dies before payment of the tax, the heirs, executors, administrators, or assigns, or other persons who become entitled on his death, to the rents and profits thereof, shall be liable to pay all arrears of tax due at the time of the death, or, if no arrears are due, the tax payable for the period up to the time of the death, together with, in either case, the tax payable for the remainder of that year, according to their respective interests, without any new assessment.

162.—(1) If a person neglects or refuses to pay the sum charged, upon demand made by the collector in accordance with the assessments and warrants delivered to him, the collector shall, for non-payment thereof, distrain upon the lands, tenements and premises in respect of which the tax is charged, or distrain the person charged by his goods and chattels, and all such other goods and chattels as the collector is hereby authorised to distrain, without any further authority for that purpose than the warrant delivered to him on his appointment.

(2) For the purpose of levying any such distress, a collector may, after obtaining a warrant for that purpose, under the hands and seals of the general commissioners, break open, in the daytime, any house or premises, calling to his assistance any constable or other peace officer.

Every such constable or officer shall, when so required, aid and assist the collector in the execution of the warrant and in levying the distress in the house or premises.

(3) A levy or warrant to break open shall be executed by, or under the direction of, and in the presence of, the collector.

(4) A distress levied by the collector shall be kept for five days, at the costs and charges of the person neglecting or refusing to pay.

(5) If the person aforesaid does not pay the sum due, together with the costs and charges, within the said five days, the distress shall be appraised by two or more inhabitants of the parish in which the distress is taken, or by other sufficient persons, and shall be sold by public auction by the collector or his deputy for payment of the sum due and all costs and charges. The costs and charges of taking, keeping, and selling the distress shall be retained by the collector or his deputy, and any overplus coming by the distress, after the deduction of the costs and charges and of the sum due, shall be restored to the owner of the goods distrained.

(6) If a collector advances and pays over to the proper officer any sum of money on account of tax charged on some other person, whether at the request of that person or not, he may, in default of repayment to him of that sum at any time within six months after the payment, levy the tax in like manner as if that sum of money had not been advanced and paid.

163.—(1) No goods or chattels whatever, belonging to any person at the time any tax becomes in arrear, shall be liable to be taken by virtue of any execution or other process, warrant, or authority whatever, or by virtue of any assignment, on any account or pretence whatever, except at the suit of the landlord for rent, unless the person at whose suit the execution or seizure is made, or to whom the assignment was made, pays or causes to be paid to the collector, before the sale or removal of the goods or chattels, all arrears of tax which are due at the time of seizure, or which are payable for the year in which the seizure is made:

Provided that where tax is claimed for more than one year, the person at whose instance the seizure has been made, may, on paying to the collector the tax which is due for one whole year, proceed in his seizure in like manner as if no tax had been claimed.

(2) In case of neglect or refusal to pay the tax so claimed or the tax for one whole year, as the case may be, the collector shall distrain the goods and chattels, notwithstanding the seizure or assignment, and shall proceed to the sale thereof, as prescribed by this Act, for the purpose of obtaining payment of the whole of the tax charged and claimed, and the reasonable costs and charges attending such distress and sale, and every collector so doing shall be indemnified by virtue of this Act.

164. If lands charged under Schedule A are unoccupied, and no distress can be found thereon at the time the tax is payable, the collector for the time being of the parish in which the lands are situate may at any future time when there is any distress to be found on the lands, enter, seize, and sell, under the same powers as if a distraint had been made on the lands at the time the tax became due and as if the occupier had been in occupation at that time.

165.—(1) If a person neglects or refuses to pay tax charged upon him by virtue of this Act within ten clear days after demand as aforesaid, and no sufficient distress can be found whereby the same may be levied, the general commissioners may, by warrant under their hands and seals, commit him to prison, there to be kept without bail until payment be made of that sum or security given to their satisfaction for payment thereof, together with such further sum, as the commissioners shall adjudge to be reasonable, for the costs and expenses of apprehending and conveying him to prison; and every such person shall be detained and kept in prison according to the tenor and effect of the warrant.

(2) By direction of the Treasury or of the Commissioners of Inland Revenue, the general commissioners shall issue their warrant to the governor of the prison in which any defaulter is detained under their warrant, directing the liberation of the defaulter, and, on receipt thereof, the governor shall forthwith release and discharge him out of custody, if he is under detention for no other cause than as set forth in the warrant of commitment.

166. In Scotland, the following provisions shall have effect:—

- (1) Upon certificate made to them by the collector for the division, district, or county, that any tax is due and not paid, the general commissioners, or sheriff or sheriff substitute for the county, shall issue a warrant for the said collector recovering the said tax by poinding the goods and effects of any person entered in the certificate as being a defaulter, and any person who has made default in paying any sum which may be levied on him in respect of tax may be entered in the certificate as a defaulter, notwithstanding that he was not named in the assessment to tax:
- (2) The warrant shall be executed by the sheriff's officers of the county:
- (3) The goods and effects so poinded shall be detained and kept on the ground, or at the house where the same were poinded, or in such other place of which the owner shall have notice, near to the said ground or house, as the officer so poinding the same shall think proper, for the space of five days, during which time the said goods and effects shall remain in the

custody of the said officer, and liable to the payment of the whole tax in arrear and to the costs to be paid to the officer who ppointed the same as hereinafter directed, unless the owner from whom the same was ppointed shall redeem the same, within the said space of five days, by payment to the officer of the said tax in arrear and costs, to be settled in the same manner as if the said goods and effects had been sold as hereinafter directed:

- (4) The goods and effects so ppointed shall, after the expiration of the said five days, be valued and appraised by any two persons to be appointed by the officer (which two persons shall be obliged to value the same, under the penalty of forty shillings sterling for each neglect or refusal), and shall be sold and disposed of, at a sum not less than the value, by the officer who does ppoint the same:
- (5) The value shall be applied, in the first place to the satisfaction and payment of the tax owing by the person whose goods are so ppointed, and, in the second place, to the payment for the trouble of the officer so ppointing, at the rate of two shillings per pound of the tax for which the goods shall be so ppointed unless the owner from whom the same were ppointed shall redeem the same by payment of the appraised value, within the space of five days after the valuation, to the officer who ppointed the same:
- (6) In case any surplus remains of the price or value, after payment of the said tax, and after payment of what is allowed to be retained by the officer in manner herein directed, such surplus shall be returned to the owner from whom the goods were ppointed:
- (7) In case no purchaser appears at the said sale, then the said goods and effects, so ppointed, shall be consigned and lodged in the hands of the sheriff of the county, or his substitute, and if not redeemed by the owner within the space of five days after the consignment in the hands of the said sheriff or sheriff substitute, the same shall be roupd, sold, and disposed of, by order of the sheriff, in such manner, and at such time and place, as he shall appoint, he always being liable to the payment of the tax to the said collector, and to payment to the officer who shall have ppointed the same, for his trouble and expense, as before stated, and to the fees due to the officer, and being, in the third place, entitled to one shilling per pound of the value of the goods so disposed of, for his own pains and trouble, after preference and allowance of the

said tax, and of what is appointed to be paid to the officer for his trouble:

- (8) There shall also be allowed, to the officer so pointing, the expense of preserving the said goods and effects, and of maintaining the cattle, if there should happen to be any among the goods and effects so pointed, from the time of pointing the same, during the period allowed to the owner to redeem them, and also the expense of the sale; and in like manner the expense shall be allowed to the sheriff or sheriff substitute, for preserving and maintaining the goods or cattle pointed, during the period that the owner is allowed to redeem, after consignment in his hands, and until the sale thereof, and also the expense of the sale; and where no goods or effects, sufficient for payment of the said tax, can be found to be so pointed, and the person liable neglects or refuses to pay the same, in every such case the commissioners, or the sheriff or sheriff substitute, is hereby authorised, by warrant, to commit such person to prison, there to be kept, without bail, until payment shall be made or security for payment be given:
- (9) Every auctioneer, or seller by commission, selling by auction, in Scotland, any goods or effects whatsoever by any mode of sale at auction, shall, at least three days before he begins any sale by way of auction, deliver or cause to be delivered to the collector within whose district such sale is intended to be, a notice in writing, signed by such auctioneer or seller by auction, specifying therein the particular day when such sale is to begin, and the name and surname of the person whose goods and effects are to be sold, with his place of residence:
- (10) If any such auctioneer or seller by auction shall sell any such goods and effects by way of auction, without delivering the notice hereinbefore required to be delivered, every such auctioneer, or person selling by auction, offending therein shall, for such offence, incur a penalty of fifty pounds.

167.—(1) No moveable goods and effects belonging to any person in Scotland, at the time any tax became in arrear or was payable, shall be liable to be taken by virtue of any pointing, sequestration for rent, or diligence whatever, or by any assignation, unless the person proceeding to take the said goods and effects pays the tax so in arrear or payable:

Provided that where the tax is claimed for more than one year the person proceeding to take the said goods and effects may on paying the tax for one whole year proceed as he might have done if no tax had been so claimed.

- (2) If the said person neglects or refuses to pay the tax so in arrear

or payable, or the tax for one whole year, as the case may be, the tax claimed shall, notwithstanding any proceeding at his instance for the purpose of taking the said moveable goods and effects, be recoverable by pouncing and selling the said moveable goods and effects under warrant obtained in conformity with the provisions contained in the last preceding section.

168.—(1) Whenever any person has removed to or resides or happens to be in any parish other than the parish in which a charge of tax has been made upon him, and the said tax or any part thereof is in arrear and unpaid, the general commissioners, or the special commissioners acting as general commissioners, for the division comprising the last-mentioned parish, shall sign and transmit, through the Commissioners of Inland Revenue, a certificate of the amount of the tax in arrear and unpaid to the general commissioners, or the special commissioners acting as general commissioners, for the division comprising the first-mentioned parish, whether that parish is or is not in the same part of the United Kingdom, and the said last-mentioned commissioners shall cause the said amount of tax to be raised and levied by and under their warrant, together with the costs and charges attending the same:

Provided that where the first-mentioned parish is within the jurisdiction of the commissioners by whom the charge was made, those commissioners may, by certificate, authorise and direct the collector for that parish to raise and levy upon the person the tax charged and unpaid.

(2) Where no sufficient distress can be found within the division comprising the parish to which any such defaulter has removed or in which he resides or happens to be, the commissioners for that division shall, by warrant under their hands and seals, commit the defaulter to prison in the same manner and under the same powers as if the tax had been charged in that parish.

(3) In this section the expression "parish" shall, in Scotland, mean county or burgh, and with respect to tax contained in any certificate as aforesaid the same shall, in Scotland, be recovered under the provisions of this Act for the recovery of tax in Scotland.

169.—(1) Any tax charged under the provisions of this Act may be sued for and recovered, (a) from the person charged therewith in the High Court as a debt due to the Crown, or by any other means whereby any debt of record or otherwise due to the Crown can, or may at any time, be sued for and recovered, as well as by the summary means specially provided by this Act for levying the tax.

(2) Any tax assessed and charged quarterly under the provisions of this Act in respect of weekly wage-earners shall, without prejudice to any

(a) See note (qq), *supra*.

other method of recovery under this Act, be also recoverable summarily as a civil debt.

170.—(1) If the tax charged on tithes or teinds is not paid within the time limited, the collector and officer respectively may distrain upon the tithes or teinds or upon any other goods or chattels of the owner of the tithes or teinds wherever found, and may seize, take and sell so much thereof as is sufficient for levying the tax. Every such collector and officer shall have the like powers, for that purpose, as are exercisable in relation to tax in other cases under this Act.

(2) (a) Where tax is charged on any composition for, or any rent or payment in lieu of, tithes or teinds, the occupier of the lands and premises charged with the composition, rent, or payments, shall be answerable for the tax so charged, and may deduct the same out of the next payment on account thereof.

(b) Where tax is charged on the profits of manors or royalties, markets or fairs, or on tolls, fisheries or any other annual or casual profits not distrainable, the owner or occupier or receiver of the profits thereof shall be answerable for the tax so charged, and may retain and deduct the same out of any such profits.

(c) In every such case the collector may distrain upon the persons respectively answerable, and may exercise all the powers in that behalf conferred by this Act.

171. Where, under the provisions of this Act, on an application made for the purpose either by a husband or a wife income tax has been charged on the profits or income of the wife as if she were not married, the power to distrain, in the case of non-payment of any income tax payable by the wife, shall extend to the goods and chattels of the husband, as well as to the goods and chattels of the wife:

Provided that no distraint shall be made on the goods and chattels of the husband unless a written demand for payment shall first have been made on the husband, or left for him at his usual place of residence, and he shall have failed to pay the amount of tax payable by his wife within seven days of such demand.

* * * * *

175.—(1) Every collector shall make out and deliver to the general commissioners, under his hand, on the prescribed form, a schedule of deficiencies, to be verified on oath, containing—

- (a) the full name and address of every person within his collection from whom he has been unable to collect or receive the tax; and
- (b) the particulars of the sum or sums charged upon, and remaining unpaid by every defaulter, and the particular reason for returning such sum or sums as in default; and

(c) the particulars of all sums which have been discharged from any assessments for causes specially allowed by this Act.

(2) The commissioners, after examining the collector on oath, shall make out—

- (i) schedules of discharge containing any such sums discharged as aforesaid;
- (ii) schedules of defaulters containing—
 - (a) the sum due from each defaulter, and the particulars thereof; and
 - (b) the sums not collected by reason of any neglect of the collector, and for which he may be held liable, and for which the parish ought to be re-assessed.

(3) The commissioners shall cause the respective particulars to be entered by their clerk in the respective schedules, on the prescribed forms, and shall sign and seal the schedules.

(4) The commissioners shall transmit all such schedules to the Commissioners of Inland Revenue, and the schedules shall be deposited at the head office of those Commissioners.

(5) A collector shall not insert in any schedule of deficiencies the name of any person as a defaulter to be returned into the High Court, unless he has made oath (which oath shall be endorsed and certified on the schedule) to the following effect, namely, that to the best of his knowledge and belief—

- (a) the sum for which the person is returned in default, is due and wholly unpaid, to the collector or to any other person on his behalf; and
- (b) there are not to be found any goods or chattels of any person liable to the payment of the tax in arrear, or any part thereof, whereby the same, or any part thereof, might be levied.

176.—(1) (a) A schedule of arrears may, on the expiration of forty days from the time of its delivery to the surveyor, be certified by the Commissioners of Inland Revenue to the High Court:

Provided that during the said period of forty days—

- (i) notice shall be given by the collector to each defaulter, named in the schedule, that his name has been included therein; and
- (ii) any such defaulter may pay his arrear to the collector, and any arrear so paid shall be discharged from the schedule.

(b) The collector may use any method, allowed by this Act, for the recovery of any arrear included in any such schedule, before the same is certified or forwarded to the High Court.

(2) A schedule of arrears delivered on oath by a collector and certified to the High Court, or a schedule of defaulters made, or purporting to be

made, in pursuance of this Act and certified to the High Court by the Commissioners of Inland Revenue, shall be sufficient evidence of a debt due to the Crown, and sufficient authority to a judge of the High Court to cause process to be issued, against any defaulter named in any such schedule, to levy the sum in arrear and unpaid by him.

(3) The production of a schedule of arrears or a schedule of defaulters made, or purporting to be made, in pursuance of this Act, and purporting to contain the name of a defaulter, shall be sufficient evidence that the sum mentioned in the schedule was duly assessed and charged upon the defaulter, and that the same is in arrear and unpaid, and is due and owing to the Crown.

PART IX.—SPECIAL PROVISIONS APPLICABLE TO IRELAND.

186. The general provisions of this Act shall, in their application to Ireland, have effect subject to, and so far only as they are applicable consistently with, the special provisions contained in this Part of this Act.

187.—(1) The annual value of all tenements and rateable hereditaments with reference to which tax is to be charged under Schedules A and B shall be ascertained according to the respective surveys and valuations from time to time in force for the purposes of poor rates:

Provided that the annual value of lands for the purposes of Schedule B shall be taken to be—

- (a) the judicial rent fixed under the Land Law (Ireland) Acts or any of them; or
- (b) the annual interest payable to the Irish Land Commission in lieu of rent under the Land Purchase (Ireland) Acts or any of them; or
- (c) the purchase annuity payable under the Land Purchase (Ireland) Acts or any of them,

in any case in which it is shown that the judicial rent, the annual interest in lieu of rent, or the purchase annuity, as the case may be, is less than the annual value according to the survey or valuation aforesaid.

(2) The said tax under Schedule A shall be charged upon the landlord or immediate lessor of a tenement or rateable hereditament, but may, if it appears to the special commissioners to be necessary or proper, be charged upon the person rated to poor rates in respect of any such property.

(3) Tax under Schedule B shall be charged upon the occupier of a tenement or rateable hereditament.

(4) In the event of an appeal by a person who considers himself aggrieved by any such assessment, if it is proved to the satisfaction of the

special commissioners by whom the appeal is heard, or the recorder or county court judge by whom the appeal is re-heard, as the case may be, that the annual value on which the assessment is based exceeds the annual rent at which the property in respect of which the assessment is made is worth to be let from year to year, relief shall be given by, reducing the assessment and charging the tax on the amount on which it would have been charged if that rent had been adopted as the basis of the assessment instead of such annual value.

(5) If such annual rent at which the property is worth to be let from year to year exceeds the actual rent payable yearly by the tenant or occupier, the landlord or immediate lessor shall be assessed and charged, under Schedule A, on the amount of such actual rent only, and the tenant or occupier shall be assessed and charged under Schedule A on the difference, subject to any claim for exemption, abatement, or relief to which any of the aforesaid persons may respectively be entitled.

(6) Where a person who receives rent in respect of any hereditament which is exempt from being rated to poor rates, is liable to be rated in respect of that rent to the extent of one-half the poundage of any poor rate, the tax under Schedule A shall be assessed and charged upon him upon the full amount of that rent.(a).

188. Assessments under Schedules A and B—

- (a) shall be made by the surveyors or other officers acting in that behalf under the direction of the Commissioners of Inland Revenue;
- (b) shall be made for and comprise the respective premises which are situate in an administrative county, county borough, county district, or such other district as the said Commissioners shall direct; and
- (c) shall be signed by the special commissioners.

189.—(1) Assessments under Schedules D and E shall be made by such surveyors or other officers as the Commissioners of Inland Revenue shall appoint in that behalf.

(2) The special commissioners shall—

- (a) sign and allow the assessments;
- (b) appoint the times and places for hearing appeals against the assessments; and
- (c) cause due notice of every such assessment and the amount thereof, and of the time and place for hearing any appeal against the same to be given by an officer of inland revenue to each person assessed.

190.—(1) The following persons, that is to say—

- (a) the special commissioners acting in relation to the signing or allowing of any assessment, to the hearing and determining of any appeal, and to the making and signing of any duplicate and any warrant for collecting and levying the tax and sums of money charged; and
- (b) all surveyors and other officers acting in relation to the making of any assessment, or to the assessing or charging of any person therein or thereby; and
- (c) all persons named or appointed by the special commissioners to be respectively collectors of the tax and sums of money in relation to the collecting, levying, distraining for, or otherwise recovering of the same;

shall respectively have, use, and exercise all such and the like powers and authorities as any general commissioners, special commissioners, or additional commissioners, and as any surveyors, assessors, collectors, or other officers respectively have, or may use or exercise, in England in relation to the making or allowing of any assessment under this Act, or to the assessing or charging of any person, or to the hearing or determining of any appeal, or the collecting, levying, distraining for or otherwise recovering of the tax, so far as such powers and authorities, or any of them, are applicable, or may be adapted, to the performance of similar acts, matters, and things in Ireland.

(2) In addition to the aforesaid powers, any power which in England may be exercised by the general commissioners may, in Ireland, be exercised by the special commissioners.

(3) Any power which in England would, in recovery of tax, be exercised by a collector for a parish may, in Ireland, be exercised by any collector within the area for which he is appointed.

191.—(1) For the purpose of assessing tax chargeable under Schedules A and B, the secretary, or person acting as such, to the county council of an administrative county and the town clerk, clerk, or person acting as such, to a county borough or an urban district council shall, when required by the Commissioners of Inland Revenue, transmit to them, at the head office of the said Commissioners in Dublin, true copies of the last poor rates made by the county council, county borough council, or urban district council for their respective rating areas or any part thereof.

(2) The Commissioners of Inland Revenue shall pay to the said persons respectively the expenses of making all such copies, not exceeding the rate of two shillings and sixpence for every one hundred ratings.

(3) If any such person as aforesaid neglects to transmit such copies, after being required to do so by the Commissioners of Inland Revenue, he shall, for every such neglect, forfeit the sum of fifty pounds.

192.—(1) Every person shall, at the request of any surveyor, or other officer acting in the execution of this Act, produce to him any survey or valuation on which the rates for any administrative county, county borough, urban district, or part thereof are assessed or made, or any rate or assessment made under any Act relating to poor rates, which is in his custody or possession, and permit the surveyor or other officer to inspect the same and to take copies thereof, or extracts therefrom, without any payment.

(2) Any such person who on request as aforesaid, refuses to produce any survey, valuation, rate, or assessment which is in his custody or possession, or to permit the inspection thereof, or the taking of such copies thereof or extracts therefrom as the surveyor or other officer may think fit, shall, for every such refusal, forfeit the sum of fifty pounds.

193.—(1) If in any case it appears to the Commissioners of Inland Revenue that any valuation for the purposes of poor rates which is for the time being in force is not correct (having reference to the principles according to which the same ought by law to have been made) with respect to all or any of the tenements or rateable hereditaments included therein, they may direct the commissioner of valuation to make or cause to be made, for the purposes of income tax, a re-valuation of those tenements or rateable hereditaments in accordance with the principles prescribed by law, and the commissioner of valuation shall, with all convenient speed, make the re-valuation or cause it to be made accordingly, and shall sign and transmit the same to the said Commissioners.

(2) Tax chargeable under Schedules A and B shall, after any such re-valuation, be assessed and charged in accordance therewith.

(3) A person assessed in accordance with any such re-valuation may, if aggrieved thereby, appeal against the assessment on the ground that the re-valuation is incorrect, and the special commissioners by whom any such appeal is heard, or the recorder, or county court judge by whom any such appeal is re-heard, may alter the re-valuation and the assessment, and make such an order with reference thereto, as they or he may think fit.

194. In assessing tax chargeable under Schedule A on the landlord or immediate lessor—

(a) If the amount or annual value, on which the assessment is made, is not less than the annual rent reserved or payable to him for the premises in respect of which the assessment is made, an allowance or abatement shall be made in respect of the amount of poor rates paid or borne by him for the same premises in the preceding year; and

(b) If the amount or annual value on which the assessment is made is less than the said rent, an allowance or abatement shall be made of the sum by which the amount of the poor rate, added to the sum on which the assessment is made, exceeds that rent.

195. All appeals against assessments shall be heard and determined by the special commissioners, and their determination on any such appeal shall be final and conclusive, unless the person assessed requires that his appeal shall be re-heard as hereinafter provided, or unless, under the provisions of this Act, a case is required to be stated for the opinion of the High Court, and, in default of appeal by a person to whom notice of assessment, and of the time and place for hearing appeals, has been given, the assessment made on him shall be final and conclusive.

196.—(1) Any person who is aggrieved by the determination of the special commissioners in any appeal against an assessment made upon him may, on giving notice in writing to the surveyor, within ten days after such determination, require that his appeal shall be re-heard by the recorder or county court judge, as the case may be, having jurisdiction in the place where the assessment was made: and the special commissioners shall transmit to the said recorder or county court judge, as the case may be, any statement or schedule in their possession which was delivered to them for the purposes of the appeal.

(2) The said recorder or county court judge shall, with all convenient speed, re-hear and determine the appeal, and shall have the exercise the same powers and authorities in relation to the assessment appealed against, the determination, and all matters consequent thereon, as the special commissioners might have and exercise, and his determination thereon shall be final and conclusive.

(3) The recorder or county court judge shall make a declaration in the form of the declaration required to be made by a special commissioner as set out in Part I. of the Fourth Schedule to this Act.

197.—(1) After the expiration of the respective times for the hearing of appeals, the special commissioners shall cause duplicates of all assessments to be delivered, together with warrants under the hands and seals of two special commissioners, to the officers or other persons named by them, in the said warrants, to be collectors.

(2) The warrants shall appoint the officers or other persons named therein to be collectors of the tax and sums of money assessed and charged in the duplicates, and shall require and empower them to demand, collect, recover and levy the same.

198. Collectors of tax shall receive such reasonable remuneration for their services in the execution of this Act as the Treasury may prescribe.

199.—(1) Tax under Schedules A and B may be collected, recovered and levied by the collector by distress from the person charged, or from the occupier of the property charged, or upon the premises in respect of which the assessment is made, and all goods and chattels, to whomsoever the same may belong, found upon any such premises may be distrained and sold for the recovery of any such tax; or such tax, or any arrears

thereof, may be collected, recovered and levied in the same manner as other tax charged in Ireland under this Act may be collected, recovered and levied.

(2) Provided that tax charged under Schedule A in respect of any tenement or hereditament may be collected, recovered and levied by the collector from the landlord or immediate lessor of the premises charged, whether he be named in the assessment or not.

(3) Where an assessment under Schedule A has been made on the tenant or occupier of premises charged, the landlord or immediate lessor shall only be liable to proceedings under subsection (2) of this section, in default of payment by the tenant or occupier, and for so much only of the tax charged as is chargeable in respect of the rent payable yearly to him for the premises charged.

200. No administrative county, county borough, county district, or place in Ireland shall be answerable for the amount of the tax charged therein, or for any neglect or default of the collector in demanding or collecting the same, and no re-assessment shall be made for any arrears or loss occasioned by any such neglect or default.

201. Where a person liable to tax under Schedule A is authorised under this Act to retain tax from any annual payment made by him from which he is by law entitled to deduct any sum on account of poor rates, the tax to be retained shall be calculated by reference to the net sum payable by him after the allowance for poor rates.

202. Claims of exemption, abatement, or relief, and all claims for the repayment of tax under this Act, shall be made in such manner and form as the Commissioners of Inland Revenue may prescribe, and shall be made to, and finally determined by, the special commissioners, subject, as regards claims for exemptions, to the like appeal by way of re-hearing as in the case of assessments.

203. In computing the income of any person for the purposes of this Act, the computation, so far as concerns any rent derived from tenements or hereditaments chargeable under Schedule A, shall be made after allowing for the amount of any poor rates chargeable on that rent by way of deduction or otherwise.

204.—(1) If any landlord or immediate lessor of any tenement or hereditament charged to tax under Schedule A has paid the same and proves, to the satisfaction of the special commissioners, that the rent, or any part thereof, due or payable to him in respect of that tenement or hereditament, for the period for which that tax was charged, has been wholly and irrecoverably lost by reason of—

(a) the bankruptcy, insolvency, or absconding of the tenant or occupier by whom such rent was payable; or

(b) the fraudulent assignment or removal of his goods by the said tenant or occupier; or

(c) the tenement or hereditament being left waste and unoccupied, he shall be entitled to be repaid such proportion of the said tax as he shall have paid in respect of the rent so lost; and the said commissioners shall issue an order for repayment, in like manner as in other cases of repayment.

(2) Any such claim for repayment shall be made within six months after the expiration of the year of assessment.

205. An action of ejectment for non-payment of rent shall not be defeated on the ground that the person liable to pay the rent is entitled under this Act to a deduction which would reduce the amount due by him below a year's rent.

206. A justice of the peace may administer any oath required or permitted by this Act to be taken before a commissioner or justice by any officer or person in any matter touching the execution of this Act.

PART X.—MISCELLANEOUS.

207. Any person who, on his own behalf or on behalf of another person or body of persons, delivers a statement of the amount of the annual value or profits on which any tax is chargeable, shall, so far as the same are respectively applicable, observe the rules and directions contained in the Fifth Schedule to this Act.

208. The provisions in this Act contained which are applied to the tax under any particular Schedule shall, if also applicable to the tax under any other Schedule and not repugnant to the provisions for ascertaining, charging or levying the tax under such other Schedule, be applied in ascertaining, charging and levying tax under that Schedule, as if the application of those provisions thereto had been expressly and particularly directed.

209.—(1) In arriving at the amount of profits or gains for the purpose of income tax—

(a) no other deductions shall be made than such as are expressly enumerated in this Act;

(b) no deduction shall be made on account of any annual interest, annuity or other annual payment to be paid out of such profits or gains in regard that a proportionate part of the tax is allowed to be deducted on making any such payment.

2) In arriving at the amount of profits or gains from any property described in this Act, or from any office or employment of profit, no deduction shall be made on account of diminution of capital employed, or of loss sustained, in any trade or in any profession, employment or vocation.

210. In order to ensure the collection in due time of tax which may be granted for any year commencing on the sixth day of April, all such provisions contained in this Act, or in any other Act relating to tax (including super-tax), as were in force on the preceding day, shall have full force and effect with respect to tax which may be so granted, in the same manner as if the said tax had been actually granted by Act of Parliament and the said provisions had been applied thereto by the Act.

211.—(1) Where in any year of assessment any half-yearly or quarterly payments have been made on account of any interest, dividends or other annual profits or gains, previously to the passing of the Act imposing the tax for that year, and tax has not been charged thereon or deducted therefrom, or has not been charged thereon or deducted therefrom at the rate ultimately imposed for the said year, the amount not so charged or deducted shall be charged under Schedule D in respect of those payments, as profits or gains not charged by virtue of any other Schedule, under Case VI. of Schedule D, and the agents entrusted with the payment of the interest, dividends or other annual profits or gains shall furnish to the Commissioners of Inland Revenue a list containing the names and addresses of the persons to whom payments have been made and the amount of those payments, upon a requisition made by those Commissioners in that behalf.

(2) Any person liable to pay any rent, interest or annuity (s) or to make any other annual payment, shall be authorised to make any deduction on account of tax for any year of assessment which he has failed to make previously to the passing of the Act imposing the tax for that year, or to make up any deficiency in any such deduction which has been so made, on the occasion of the next payment of the rent, interest or annuity, or making of the other annual payment after the passing of the Act so imposing the tax, in addition to any other deduction which he may be by law authorised to make, and shall also be entitled, if there is no future payment from which the deduction may be made, to recover the sum which might have been deducted as if it were a debt due from the person as against whom the deduction could originally have been made if the Act imposing tax for the year had been in force.

212. No provision contained in the County Rates Act, 1852, or in the Union Assessment Committee Act, 1862, shall authorise any assessment committee under those Acts to require any assessor, collector or other person employed in the assessment or collection of tax to make or transmit, or to permit any other person to make, copies of or extracts from any assessment, rate or rate book or any document relating to the assessment or collection of tax upon profits of trade in respect of quarries, mines, ironworks, gasworks or other concerns in the nature of trade or manufac-

ture chargeable under Schedule A, nor shall any such person be required to attend before any such committee to produce any such assessment, rate, rate book or document, or to be examined concerning the same.

213. No letters patent granted or to be granted by the Crown to any person, city, borough, or town corporate of any liberty, privilege, or exemption from subsidies, tolls, taxes, assessments or aids, and no statute which grants any salary, annuity or pension to any person free of any taxes, deductions or assessments, shall be construed or taken to exempt any person, city, borough or town corporate, or any of the inhabitants of the same, from tax, and all non obstantes in any such letters patent or statute made or to be made to the contrary effect shall be void.

214.—(1) Warrants and precepts of the general commissioners shall be executed by the respective persons to whom they are directed in any part of the same county within any division of which those commissioners have jurisdiction.

(2) Constables and other peace officers shall aid in the execution of this Act, and obey and execute such precepts and warrants as are directed to them in that behalf by the respective commissioners under the authority of this Act.

215. (*Provisions as to forms.*)

216.—(1) An assessment, charge, warrant or other proceeding which purports to be made in pursuance of this Act shall not be quashed, or deemed to be void or voidable, for want of form, or be affected by reason of a mistake, defect, or omission therein, if the same is in substance and effect in conformity with or according to the intent and meaning of this Act, and if the person or property charged or intended to be charged or affected thereby is designated therein according to common intent and understanding.

(2) An assessment or a charge made upon an assessment shall not be impeached or affected—

(a) by reason of a mistake therein as to—

- (i) the name or surname of the person liable; or
- (ii) the description of any profits or property; or
- (iii) the amount of the tax charged;

(b) by reason of any variance between the notice and the certificate of charge or assessment:

Provided that in cases of charge the notice of charge shall be duly served on the person intended to be charged, and the notice and certificate shall respectively contain, in substance and effect, the particulars on which the charge is made; and every such charge shall be heard and determined on its merits by the general commissioners.

217. No receipt, certificate or payment, affidavit, appraisement or valuation given or made in pursuance and for the purposes of this Act,

and, in England, no bond or other security given under this Act by a collector or other person in respect of the collection, accounting for, or remitting of tax, shall be liable to any stamp duty.

218. Assessments, duplicates of assessments, minute books, and other public books and papers relating to tax in the custody or possession of any clerk, assessor, or collector, or the legal representatives of any person who has died or shall die during the holding of any such office, or after his removal from the same, or of his agent or attorney, or of any other person, shall be the property of the general commissioners acting in their respective divisions for the time being, and shall be placed with them and remain in their custody and possession, or the custody and possession of their respective clerks for the time being, or of such other person as the respective commissioners for the time being may from time to time at their meetings direct.

219.—(1) A person who has in his custody or possession any book or papers relating to tax shall, within one month next after notice in writing from the Commissioners of Inland Revenue requiring him to do so, deliver them to the person named in the notice, and, if he fails to do so, shall, for every such offence, incur a penalty of fifty pounds.

(2) The receipt of the person named in the notice shall be a sufficient discharge to the person delivering the books or papers.

220.—(1) Notices required to be affixed, delivered or served may be issued to the respective assessors by the surveyors of the districts in which the notices are required, for the purpose of being so affixed, delivered or served.

(2) The issue to the assessors of any such notices by a surveyor shall be as effectual as delivery to them by the general commissioners concerned.

(3) Any directions which have been allowed by the respective commissioners with reference to the time and manner of fixing delivering or otherwise serving the notices, and the persons on whom they are to be served, shall, when given by the surveyor to a collector or assessor, be observed by him.

(4) A notice or form which is to be served on a person may be either delivered to him or left at his usual or last known place of abode.

(5) A notice to a person to be given by a surveyor may be served by registered post.

(6) A notice to be given by the Commissioners of Inland Revenue may, by their order, be signed by one of their secretaries or assistant secretaries, and if purporting to be so signed by their order shall be valid and effectual.

(7) Notices to be given or delivered to, or served on, the general

commissioners or the additional commissioners shall be valid and effectual if given or delivered to or served on their clerk.

(8) Provided that—

(a) any notice or other document to be given, served, sent or delivered, under this Act or any Act relating to income tax, may be served by post in such cases as the Commissioners of Inland Revenue direct by regulations to be made by them for the purpose; and

(b) any notice or other document to be given, served, sent or delivered to or on an employed person may be served by post at his place of employment.

221.—(1) No proceedings shall be commenced against any person for the recovery of any fine, penalty, or forfeiture under this Act except by order of the Commissioners of Inland Revenue and in the name of an officer, or in England in the name of the Attorney-General for England, in Scotland in the name of the Lord Advocate, and in Ireland in the name of the Attorney-General for Ireland.

(2) Any fine or penalty under this Act may, except as otherwise provided, be sued for and recovered, with full costs of suit, in the High Court, and any such penalty shall be sued for by information.

(3) Proceedings in the High Court for the recovery of any fine or penalty, and proceedings in England, before the general commissioners, and in Scotland either before the general commissioners or before the sheriff for the recovery of any penalty which is not recoverable in the High Court, may be commenced within six years (*r*) next after the fine or penalty was incurred.

(4) Where a pecuniary penalty not exceeding twenty pounds, or a penalty exceeding twenty pounds which is directed to be added to the assessment, is recoverable in the High Court, that penalty may, in lieu of being so recovered, be recovered in England before the general commissioners, and in Scotland either before the general commissioners or before the sheriff for the county where the offence was committed, by proceedings to be commenced within twelve months (*r*) next after the penalty was incurred.

(5) The proceedings before any general commissioners or any sheriff shall be by way of information in writing, made to them, and upon a summons to the person accused to appear before them at such time and place as they shall fix, and they shall examine into the matter of fact, and hear and determine the same in a summary way, and they shall give judgment for the penalty, or such part thereof as they shall think proper to mitigate the same to, and shall assess the penalty on the person accused

by way of supplementary assessment, and the penalty shall be levied in like manner as tax.

The adjudication on such proceedings shall be final and conclusive, and the proceedings and decree of the said commissioners or sheriff shall not be removable, by any process whatever, into any court of law.

222.—(1) The Commissioners of Inland Revenue may, in their discretion, mitigate any fine or penalty, or stay or compound any proceedings for recovery thereof, and may also, after judgment, further mitigate or entirely remit the fine or penalty, and may order any person imprisoned for any offence to be discharged before the term of his imprisonment has expired. The Treasury may mitigate or remit any such fine or penalty, either before or after judgment.

(2) Moneys arising from fines, penalties and forfeitures, and all costs, charges and expenses payable in respect thereof or in relation thereto respectively, shall be accounted for and paid to the Commissioners of Inland Revenue or as they direct.

223. Where an increased rate of tax is imposed as a penalty, or as part of or in addition to a penalty, the penalty and increased rate of tax may be added to the assessment, and collected and levied in like manner as any tax included in such assessment may be collected and levied.

224. The provisions of this Act shall not affect any criminal proceedings for any felony or misdemeanour.

225.—(1) If any person, by himself or by any person in his employ, obstructs, molests, or hinders—

- (a) an officer or any person employed in relation to any duty of income tax in the execution of his duty, or of any of the powers or authorities by law given to the officer or person; or
- (b) any person acting in the aid of an officer or any person so employed;

he shall, for every such offence, incur a fine of one hundred pounds.

(2) Without prejudice to any other mode of recovery, the fine imposed under this section may be proceeded for and recovered in the same manner, and, in the case of summary proceedings, with the like power of appeal, as any fine or penalty under any Act relating to the excise.

226. A surveyor who—

- (a) wilfully makes a false and vexatious surcharge of tax; or
- (b) wilfully delivers, or causes to be delivered, to the general commissioners a false and vexatious certificate of surcharge, or a false and vexatious certificate of objection to any supplementary return in a case of surcharge; or
- (c) knowingly or wilfully, through favour, undercharges or omits to charge any person; or

(d) is guilty of any fraudulent, corrupt, or illegal practices in the execution of his office,

shall, for any such offence, incur a penalty of one hundred pounds, and on conviction shall be discharged from his office.

227. If any person, for the purpose of obtaining any allowance, reduction, rebate, or repayment in respect of tax, either for himself or for any other person, or in any return made with reference to tax, knowingly makes any false statement or false representation, he shall be liable, on summary conviction, to imprisonment for a term not exceeding six months with hard labour.

228. If in Scotland or Ireland any person, upon any examination on oath, or in any affidavit or deposition authorised by this Act, wilfully and corruptly gives false evidence, or wilfully and corruptly swears any matter or thing which is false or untrue, he shall on conviction be subject and liable to such punishment as persons convicted of perjury are subject and liable to.

229.—(1) A commissioner, sheriff, sheriff depute or sheriff substitute, clerk, surveyor, assessor, or collector who acts, or is employed, in the execution of this Act, shall not be liable to any penalty in respect of such execution other than is by this Act provided.

(2) Where any civil or criminal proceeding, against any officer or person employed in relation to any duty of income tax, on account of the seizure or detention of any goods, is brought to trial, and a verdict or judgment is given thereupon against the defendant, if the court or judge certifies that there was probable cause for the seizure, the plaintiff shall not be entitled to any damages, besides the goods seized, or the value thereof, nor to any costs, and the defendant shall not be liable to any punishment.

230.—(1) Anything required under this Act to be done by the Treasury may be signified under the hand of a secretary or assistant secretary to the Treasury.

(2) Anything required under this Act to be done by the general commissioners, the additional commissioners, the special commissioners, or any other commissioners may, save as otherwise expressly provided by this Act, be done by any two or more commissioners.

(3) Any general commissioner may administer an oath required or permitted to be taken before the general commissioners under this Act by any officer or person in any matter touching the execution of this Act.

233. In any proceedings under or arising out of this Act before any court or person empowered to take evidence, *prima facie* proof of the fact that any person was a commissioner or officer may be given by proving

that, at the time when any matter in controversy in any such proceedings arose, that person was reputed to be or had acted as a commissioners or officer.

234. In the event of a sufficient number of general commissioners not attending to sign and allow, in due time, the assessments and duplicates of the tax for any parish, any two general commissioners acting within the same county shall sign and allow any such assessments or duplicates.

235. All matters within the jurisdiction of the High Court of Justice under this Act shall be assigned in England and Ireland to the King's Bench Division of the High Court, and in Scotland to the Court of Session sitting as a Court of Exchequer.

236. All such regulations of the Commissioners of Inland Revenue as relate to—

- (a) the assessment, charge, collection and recovery of super-tax;
- (b) *allowance or deduction (s)* or relief in respect of quarterly assessments on weekly wage-earners;
- (c) the assessment and collection of tax in the case of quarterly assessments on weekly wage-earners; or
- (d) service by post;

shall be laid before each House of Parliament as soon as may be after they are made, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days, or in the case of a regulation relating to super-tax within the next subsequent forty days, on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

237. In this Act, unless the context otherwise requires—

"Annuity fund" means, where an annuity fund is not kept separately from the life assurance fund of an assurance company, such part of the life assurance fund as represents the liability of the company under its annuity contracts, as stated in its periodical returns to the Board of Trade, under the Assurance Companies Act, 1909;

"Assurance company" means any persons or body of persons to which the Assurance Companies Act, 1909, applies;

"Assessor" includes a surveyor acting as assessor when empowered so to act;

"Body of persons" means any body politic, corporate, or collegiate, and any company, fraternity, fellowship and society of persons, whether corporate or not corporate;

"City division" means a division consisting of any city, borough, town, or other place, under the separate jurisdiction of any body of general commissioners;

"County division" means a division other than a city division and consisting of any county, riding or shire, or of any hundred, rape, lathe, wapentake, or other division of a county, riding, or shire, under the separate jurisdiction of any body of general commissioners;

"Foreign life assurance fund" means any fund representing the amount of the liability of an assurance company in respect of its life assurance business with policy-holders and annuitants residing out of the United Kingdom whose proposals were made to, or whose annuity contracts were granted by, the company at or through a branch or agency outside the United Kingdom, and, where such a fund is not kept separately from the life assurance fund of the company, means such part of the life assurance fund as represents the liability of the company under such policies and annuity contracts; such liability being estimated in the same manner as it is estimated for the purposes of the periodical returns of the company to the Board of Trade, under the Assurance Companies Act, 1909;

"Gazette" means, as the context requires, "London Gazette," "Edinburgh Gazette" or "Dublin Gazette";

"Incapacitated person" means any infant, married woman, lunatic, idiot, or insane person;

"Land Tax Commissioners" means the commissioners appointed, under authority of Parliament, for executing the Acts relating to land tax;

"Life assurance business" includes the business of granting annuities;

"Parish" means any city, town, ward, township, tithing, parish, place or precinct, or part thereof, for which a separate assessment of income tax has been, or can be, made, or for which an assessor or collector has been, or can be, appointed;

"Surveyor" means a surveyor of taxes and includes an inspector of taxes;

"Trade" includes every trade, manufacture, adventure or concern in the nature of trade;

"Weekly wage-earner" means a person who receives wages which are calculated by reference to the hour, day, week or any period less than a month, at whatever intervals the wages may be paid, or who receives wages, however calculated, which are paid daily, weekly, or at any less intervals than a month;

"Year of assessment" means, with reference to any tax, the year

for which such tax was granted by any Act granting duties of income tax.

238. The Acts mentioned in the Seventh Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule:

Provided that—

- (a) Any notice, form, order, rule, regulation or direction prescribed, made, issued or given under any enactment repealed by this Act shall continue in force as if it had been prescribed, made, issued or given under this Act, and may be repealed, revoked, varied or amended accordingly:
- (b) Any document referring to any Act or enactment repealed by this Act shall be construed as referring to this Act or to the corresponding enactment of this Act:
- (c) Any commissioner, officer or person appointed to act or employed under or by virtue of any enactment repealed by this Act in relation to duties of income tax shall continue and be deemed to have been appointed or employed under or by virtue of this Act:
- (d) Where any provision repealed by this Act so far as it relates to income tax, and reproduced in this Act in relation to income tax, authorises or requires any appointment to be made or action to be taken, or imposes any penalty both in relation to income tax and in relation to any other tax or duty as respects which the provision in question is not repealed, then nothing in this Act shall authorise or require separate appointments or separate action or the imposition of penalties, both under the provision so repealed and under the corresponding provision of this Act, but the two provisions shall have effect as though they continued to be contained in one enactment relating both to income tax and to such other tax or duty as aforesaid:
- (e) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section thirty-eight of the Interpretation Act, 1889, with regard to the effect of repeals.

239.—(1) This Act may be cited as the Income Tax Act, 1918.

(2) This Act shall come into operation on the sixth day of April nineteen hundred and nineteen:

Provided that the provisions of this Act shall not apply to any duties of income tax granted by Parliament prior to the commencement of this Act, or to any enactment, matter or thing touching any such duties, and in respect of any such duties the Acts applicable thereto which are repealed by this Act shall have the same effect as if this Act had not been passed.

SCHEDULES.

FIRST SCHEDULE.

SCHEDULE A.

Tax under Schedule A shall be charged in respect of the property in all lands, tenements, hereditaments, and heritages in the United Kingdom, for every twenty shillings of the annual value thereof.

RULES APPLICABLE TO SCHEDULE A.

..... (v).

No. I.—General Rule for estimating the annual value of Lands, Tenements, Hereditaments or Heritages.

*In the case of all lands, tenements, hereditaments or heritages capable of actual occupation, of whatever nature, and for whatever purpose occupied or enjoyed, and of whatever value (except the properties mentioned in No. II. and No. III. of this Schedule), the annual value shall be understood to be:—

- (1) The amount of the rent by the year at which they are let, if they are let at rackrent and the amount of that rent has been fixed by agreement commencing within the period of seven years preceding the fifth day of April next before the time of making the assessment; or
- (2) If they are not let at a rackrent so fixed, then the rackrent at which they are worth to be let by the year.

No. II.—Rules for estimating the annual value of certain Lands, Tenements, Hereditaments or Heritages which are not to be charged according to the preceding General Rule, and for determining the person chargeable (x).

- *1. In the case of tithes, if taken in kind,.....
2. In the case of dues and money payments in right of the church or by endowment, or in lieu of tithes (not being tithes arising from lands), and all teinds arising in Scotland,.....
- *3. In the case of tithes arising from lands, if compounded for, and all rents and other money payments in lieu of tithes arising from lands (except rent charges confirmed under the Tithe Act, 1836),
4.

(v) The para. restricting the application of these rules in the county of London is repealed as from 6th April, 1931, by Finance Act, 1930, s. 53 (8), 3rd Sched, Part II.

(x) See Act of 1926, s. 28 and 3rd Sched,

5. In the case of manors and other royalties, including all dues and other services or other casual profits (not being rents or other annual payments reserved or charged),.....;

6. In the case of fines received in consideration of any demise of lands or tenements (not being parcel of a manor or royalty demisable by the custom thereof),.....

.....Provided that if the person chargeable satisfies the general commissioners for the division that any part of the fines has been applied as productive capital, on which a profit has arisen or will arise which is otherwise chargeable for the year for which the assessment is made, the commissioners may discharge the amount so applied from the profits liable to assessment and charge under this rule.

7. In the case of all other profits not before enumerated (other than profits liable to deduction in pursuance of rules 1 and 4 of No. VIII. of this Schedule) arising from lands, tenements, hereditaments or heritages not being in the actual possession or occupation of the person to be charged,.....

8.

No. III.—Rules for estimating the annual value of certain other Lands, Tenements, Hereditaments, or Heritages which are not to be charged according to the preceding General Rule. (y)

1. In the case of quarries of stone, slate, limestone, or chalk,.....

2. In the case of mines of coal, tin, lead, copper, mundic, iron, and other mines,.....

3. In the case of ironworks, gasworks, salt springs or works, alum mines or works, waterworks, streams of water, canals, inland navigations, docks, drains or levels, fishings, rights of markets and fairs, tolls, railways and other ways, bridges, ferries, and other concerns of the like nature having profits from or arising out of any lands, tenements, hereditaments or heritages,

4. Tax under the above rules shall be assessed and charged on the person or body of persons carrying on the concern, or on the agents or other officers who have the direction or management of the concern or receive the profits thereof.

5.

6.

7.—(1) The computation in respect of any such mine carried on by a company of adventurers shall be made and stated jointly in one sum, but

(y) See Act of 1926, s. 28 and 3rd Sched,

any adventurer may be assessed and charged separately if he makes a declaration of his proportion or share in the concern for that purpose.

(2) An adventurer so separately assessed and charged may set off against his profits from one or more of such concerns the amount of his loss sustained in any other such concern as certified by the commissioners for the division where the loss was sustained.

(3) In any such case one assessment and charge only shall be made on the balance of profit and loss, and shall be made in the parish where the adventurer is chargeable to the greatest amount.

8.

9.

No. IV.—Rules for estimating Annual Value.

1. Where—

- (a) a landlord is subject to an agreement to pay or satisfy out of the rent reserved on any lands or tenements, any public local rates, taxes, or assessments, which by law are charged upon the occupier, or any composition for tithes; or
- (b) any person entitled to a rent or other annual payment in lieu of tithes (other than a tithe rent charge confirmed under the Tithe Act, 1836), or to any composition for tithes, pays or satisfies out of the amount thereof any such public local rates, taxes or assessments charged upon the same;

the annual value shall be estimated exclusive of any such public local charges, or composition for tithes, *bonâ fide* paid by the landlord or other person aforesaid, respectively, in and for the year preceding the year of assessment.

2. Where the owner is also occupier of the lands or tenements, and has paid any such public local charges or composition for tithes in respect thereof, the annual value shall be estimated in like manner.

3. If the assessor is satisfied with the amount contained in any account or statement of the annual value of properties to be assessed under this Schedule delivered under this Act, he shall make an assessment on that amount, and if he is not satisfied, or if no such account or statement has been delivered, he shall estimate to the best of his judgment the annual value of the property and make an assessment thereon.

4. Wheret he annual value is to be ascertained according to the general rule of No. I. of this Schedule, and that value cannot be otherwise ascertained, and the last poor rate in the parish was made throughout on the annual value as the same would be estimated under the said general rule or on a proportionate part thereof, the assessor may make his assessment by reference to the annual value for the purposes of the poor rate, but in all

cases on the full amount of the annual value instead of on a proportionate part thereof.

5. Where any dwelling-house or tenement, together with the offices, gardens, and lands occupied therewith, or any lands separately occupied, is of an annual value under ten pounds, the assessor may estimate the annual value to the best of his judgment and make an assessment thereon without requiring a statement of the annual value to be delivered, unless the surveyor objects to his estimate and requires a notice for that purpose to be served.

6. An assessor who, not having required such statement, neglects to estimate the true annual value of any such property and to assess the same according to this Act, shall forfeit a sum not exceeding ten pounds.

7. If any tenant at rackrent produces to the assessor the lease or agreement in writing under which he immediately holds any premises chargeable under the general rule of No. I. of this Schedule, and it appears therefrom that the premises have been let within the seven preceding years, and that no consideration in money other than the rent reserved is contained in the lease or agreement, the assessor may make his assessment according to that rent.

8. The tenant shall produce his lease or agreement to the assessor on request by him.

9. Any such assessment shall not be binding if it appears to the commissioners—

- (a) that the lease or agreement does not express the full consideration in money or value for the demise or the rent *bonâ fide* paid for the same; or
 - (b) that the rent reserved is less than the rackrent on account of repairs or improvement effected, or to be effected, by the tenant or his assigns; or
 - (c) that the lease or agreement was in any other respect made with intent to conceal the annual value of the premises, or to diminish the estimate to be made thereon, or has been assigned to the tenant or any former tenant for any consideration in money or value paid or agreed to be paid.
10. In making any such assessment regard shall be had to—
- (a) any increase of the amount of the rent reserved by reason of any agreement by the landlord to discharge the tenant's rates, taxes, assessments, or duties hereinbefore mentioned;
 - (b) any decrease in the amount of the rent by reason of any agreement by the tenant to discharge those of the landlord;
 - (c) any decrease in the amount of the rent by reason of any expenses incurred or to be incurred by the tenant or any assigns, whether mentioned or not in the lease or agreement; and

- (d) any deductions to be made on account of any public rate or assessment hereinbefore described.

11. In the case of a demise for years of land made in consideration of a rent reserved and of improvements to be made at the cost of the tenant, if it is proved to the satisfaction of the general commissioners that the rent reserved was, in view of the improved value expected to be realised at the cost of the tenant, based upon an estimate of the mean annual value of the land throughout the term, and that the rent, so computed, is fixed and payable at the same amount in each year so that in consequence thereof the rent payable exceeds the annual value at the commencement of the term, the annual value for each year of assessment during the term of the demise shall be taken to be the amount of the rent reserved without variation, subject to the deductions allowed by this Act.

12. A tenant being—

- (a) a tenant at rackrent under a parol demise from year to year within the period defined in the general rule of No. I. of this Schedule; and
- (b) a tenant who has neither the custody, nor the power to call for the production, of the lease or agreement under which he holds premises demised within the said period and who proves to the commissioners his inability to produce the same,

shall deliver to the assessor an account in writing, signed by him, stating the amount of the annual rent reserved on any such demise, and thereupon the same rules shall apply as in the case of a tenant who produces to the assessor his lease or agreement.

13. Lands held for a longer period than seven years, by a tenant at will or under a demise from year to year, shall be estimated and assessed at their annual value, unless the tenant proves to the satisfaction of the general commissioners that they are held under a demise which was commenced by an agreement made, and a rent fixed, within the period of seven years, on the determination of the former demise of those lands, by due notice within that period.

14. A person who wilfully—

- (a) delivers any such account as aforesaid, which is false; or
- (b) refuses, neglects, or omits to produce any lease or agreement with intent to conceal the annual value of the premises therein comprised, or to diminish the estimate to be made thereon,

shall forfeit the sum of twenty pounds, and may be charged in treble the tax chargeable, to be computed on the annual value of the premises and included in the assessment.

15. In Scotland—

- (a) Every tenant of lands, tenements, or heritages shall, within ten days after service by the assessor of a notice requiring him

to do so, produce to the assessor the tack, lease, or other agreement or articles in writing under which he holds:

- (b) If any such documents of title are not within the custody, possession, or power of the tenant, or if there are no such documents, the tenant shall deliver to the assessor within the time limited as aforesaid, a written note stating the actual rent annually reserved, and any other valuable consideration given to the landlord for the tenancy:
- (c) A tenant who wilfully neglects to comply with any such notice shall be liable to a penalty of treble the tax chargeable on such lands, tenements, or heritages:
- (d) On the production of any such documents of title, the assessor may make his assessment according to the rent therein reserved, or if they are not produced, upon the rent reserved as disclosed in the written note, if he is satisfied that there was no other valuable consideration:
- (e) If no written note is delivered, or if the assessor is not satisfied therewith, the assessor shall make an assessment in accordance with the provisions of this Act:
- (f) If a farm, occupied by any such tenant, is distant more than ten miles from the dwelling-house of the assessor, the tenant may leave his lease or written note with the nearest justice of the peace, or with the minister of the parish in which the farm is situate, and the justice or minister, as the case may be, shall show the lease or note of the rent to the assessor when required.

No. V.—Rules in respect of Deductions and Allowances.

1. The following deductions and allowances shall be made under this Schedule:—

- (a) The amount of the tenths and first fruits, duties, and fees on presentations paid by any ecclesiastical person within the year preceding the year of assessment:
- (b) The amount paid for procurations and synodals by ecclesiastical persons on an average of seven years preceding the year of assessment:
- (c) The amount expended during the year preceding the year of assessment on repairs of any collegiate church or chapel, or chancel of a church, or of any college or hall in any university of the United Kingdom, by any ecclesiastical or collegiate body, rector, vicar, or other person bound to repair the same:
- (d) The amount paid for public local rates, taxes, and assessments charged in respect of a rentcharge under the Tithe Act, 1836, for the year of assessment, except where the owner of the rent-

charge has been charged therefor under rule 7 of No. VII. of this Schedule:

- (e) The amount of any unredeemed land tax charged on lands, tenements, hereditaments, and heritages, under the Land Tax Act, 1797:
- (f) The amount charged on lands, tenements, hereditaments, and heritages, by a public rate or assessment in respect of draining, fencing, or embanking:
- (g) The amount expended by the landlord or owner of lands on an average of the twenty-one preceding years, in the making or repairing of sea walls or other embankments necessary for the preservation or protection of the lands against the encroachment or overflowing of the sea or any tidal river, although the sum expended may not have been charged on the lands by a public rate or assessment:

. (t)

2. The foregoing allowances shall (unless the payments to which they relate, or any part thereof, be made by a tenant) be made from the assessment on the property concerned, save as is hereinafter provided.

3. The allowances granted under paragraphs (a), (b) and (c) of rule 1 may be granted to the body or person therein described in one sum, either by deduction from the assessment, if any, on such body or person, or by repayment, but any allowance made under rule 1 on account of charges payable in respect of tithe rentcharge shall be granted by repayment only.

4.—(1) Where it is shown to the satisfaction of the Commissioners of Inland Revenue that the landlord of lands in Scotland is by law—

- (a) charged with any public rates, taxes, or assessments which in England are by law a charge on the occupiers of lands; or
- (b) charged with any public rates or taxes or other public burdens, the like whereof are not chargeable on lands in England,

the said Commissioners shall cause such relief to be given in respect of tax as is just and reasonable having regard to the additional burden on the landlord.

(2) Relief under this rule may be given in accordance with such regulations as the said Commissioners may prescribe, either by abatement from the assessment, or by repayment of tax.

5. The person entitled to any of the foregoing allowances which have not been made by way of deduction or abatement from the assessment and which may be made by repayment, may claim the allowance at any time within *six* (u) years after the expiration of the year of assessment, before

(t) Proviso repealed as from 6th April, 1931:

(u) Extended to six years, Finance Act, 1923, s. 30 (1).

the general commissioners of the division in which the property charged with the payments is situate.

6. The general commissioners on proof that the claimant is entitled to the allowance shall certify the particulars and amount thereof to the special commissioners, who shall issue an order for repayment.

7.—(1) Where tax is charged upon annual value estimated otherwise than by relation to profits, the following provisions shall have effect:—

(a) In the case of an assessment on lands inclusive of the farmhouse and other buildings (if any), the amount of the assessment shall, for the purposes of collection, be reduced by a sum equal to one-eighth part thereof; and

(b) In the case of assessment upon any house or building (except a farmhouse or building included with lands in assessment), the amount of the assessment shall, for the purpose of collection, be reduced—

(i) *Where the owner is occupier or chargeable as landlord, or where a tenant is occupier and the landlord has undertaken to bear the cost of repairs, by a sum equal to the amount of the authorised reduction hereinafter mentioned; and*

(ii) *Where a tenant is occupier and has undertaken to bear the cost of repairs, by such a sum, not exceeding the amount of the authorised reduction, as may be necessary to reduce the amount of the assessment to the amount of rent payable by him:*

Provided that the amount by which an assessment is reduced shall not, in the case of an assessment exceeding the amount of forty pounds, be less than it would have been if the amount of the assessment had been forty pounds (v).

(2) Where the amount of the assessment in the case of lands (inclusive of the farmhouse and other buildings) is more than one-eighth *below the rent (v)* and in the case of any house or building (except a farmhouse or building included with lands in assessment) is *less than the rent by a sum greater than the authorised reduction which would be allowable if the assessment were on the amount of the rent (v)* after deducting from such rent any outgoing which should by law be deducted in making the assessment, this rule shall not apply.

(3)(v) The authorised reduction for the purposes of this Rule shall be—

(a) Where the amount of the assessment does not exceed	A sum equal to one-fourth part of the amount of the assessment.
forty pounds.	

(v) Paras. and words substituted and inserted, Finance Act, 1923, s. 28; with effect to 5th April 1933, Act of 1928, s. 20.

- | | |
|--|---|
| <p>(b) Where the amount of the assessment exceeds forty pounds but does not exceed one hundred pounds.</p> <p>(c) Where the amount of the assessment exceeds one hundred pounds.</p> | <p>A sum equal to one-fifth part of the amount of the assessment.</p> <p>Twenty pounds, together with a sum equal to one-sixth part of the amount by which the assessment exceeds one hundred pounds.</p> |
|--|---|

8.—(1) If the owner of any land or houses to which this rule applies shows that the cost to him of maintenance, repairs, insurance, and management, according to the average of the preceding five years, has exceeded, in the case of land, one-eighth part of the annual value of the land as adopted under this Schedule, and, in the case of houses, *the authorised reduction (v)*, he shall be entitled in addition to any reduction of the assessment for the purposes of collection, on making a claim for the purpose, to repayment of the amount of the tax on the excess.

(2) For the purposes of this rule, the term "maintenance" shall include the replacement of farmhouses, farm buildings, cottages, fences, and other works where the replacement is necessary to maintain the existing rent; *and shall also include additions or improvements to farmhouses, farm buildings, or cottages, but only if no increased rent is payable in respect of the additions or improvements and in so far as they are made in order to comply with the provisions of any statute or the regulations or bye-laws of a local authority (w).*

(3) *This rule shall apply to any land (inclusive of farmhouses and other buildings, if any) or house, the assessment on which is reduced for the purpose of collection:*

Provided that no repayment of tax shall be made under this rule in respect of the cost of maintenance, repairs, insurance or management, if or to such extent as that cost has been otherwise allowed as a deduction in computing income for the purposes of income tax (x).

(4) In comparing, for the purpose of this rule, the cost of maintenance, repairs, insurance, and management of any land or houses with the annual value of the land or houses, the total cost of the maintenance, repairs, insurance and management on any land managed as one estate, or of any houses on any such land, shall be compared with the total annual value of the land or houses, as the case may be.

(w) Words added, Act of 1924, s. 25.

(x) Paras. substituted with effect after the year 1922-23, Act of 1922, s. 25.

(5) All the provisions of the *Income Tax Acts* which relate to claims for any allowance or deduction (y), or the proof to be given with respect to those claims, shall apply to claims for repayment under this rule and the proof to be given with respect to those claims:

Provided that if the owner of any land or house makes and delivers to the surveyor of any district in which the land or house is wholly or partly situate a declaration as to the cost to him of maintenance, repairs, insurance, and management, and the surveyor is satisfied as to the correctness of the declaration, the amount of the allowance to which the owner is entitled under this rule shall be certified by the surveyor, and repayment shall thereupon be made in accordance with his certificate.

(6) In computing the five-year average for the purposes of this rule, the year shall be taken to be the year ending on the thirty-first day of March, or such other date as may be adopted by the owner of the land or houses with the consent of the surveyor of the district, and the five preceding years shall be taken to be those preceding the commencement of the year for which the tax in respect of which a claim for repayment is made is charged.

9.—(1) Where land has been demised at a reserved rent, without fine or other sum paid or contracted for in lieu of a reserved rent, and loss has been sustained on the growing crops or stock on the lands, or the lands or any part of them have been rendered incapable of cultivation for any year, by reason of flood or tempest, the general commissioners for the division in which the lands are situate, on proof to them that the owner has, in consideration of any such loss, allowed, or agreed to allow, to the tenant an abatement of the whole or any part of the rent reserved or payable for any year of the term, may in like proportion make an abatement in the assessment under this Schedule for the year for which the abatement of rent has been made, and discharge therefrom the corresponding proportion of tax.

(2) Where any such loss is sustained on lands in the occupation of the owner, the commissioners may, on proof of the loss, make the like abatement and discharge of tax under this Schedule as might have been made if the land had been demised to a tenant, and the owner had made such abatement of rent proportionate to the loss sustained as the general commissioners consider would or ought to have been made in respect of such loss.

10. A person who—

- (a) makes any false claim for an abatement under rule 9; or
- (b) is guilty of any fraud or contrivance in making any such claim, or obtaining any such abatement; or
- (c) fraudulently or untruly declares the amount of value of such loss, or the amount or value of any abatement made or agreed

to be made in the rent of lands occupied by him on account of such loss, with the intention of fraudulently obtaining any such abatement,

shall forfeit the sum of fifty pounds and treble the amount of tax charged on him in respect of the lands.

11. A person who—

- (a) aids, abets, or assists a person charged with tax in making any such false or fraudulent claim; or
- (b) fraudulently or untruly declares the amount or value of any abatement made, or agreed to be made, in the rent of any lands, or the amount or value of any loss, with intent fraudulently to obtain for himself, his tenant, or for the owner or tenant of any lands any such abatement as aforesaid,

shall forfeit the sum of one hundred pounds.

No. VI.—Rules in respect of further Allowances.

1. The following further allowances shall be made under this Schedule:—

- (a) The amount of the tax charged on any college or hall in any university of the United Kingdom, in respect of the public buildings and offices belonging to the college or hall, so far as not occupied by any individual member thereof or by any person paying rent for the same:
- (b) The amount expended on repairs of the public buildings and offices of any such college or hall, and of the gardens, walks, and grounds for recreation, repaired and maintained by the funds of the college or hall:
- (c) The amount of the tax charged on any hospital, public school, or almshouse, in respect of the public buildings, offices, and premises belonging thereto, and so far as not occupied by any individual officer or the master thereof whose total annual income, however arising, estimated in accordance with this Act, amounts to one hundred and fifty pounds or more, or by a person paying rent for the same:
- (d) The amount expended on repairs of any such hospital, public school, or almshouse, and of the offices belonging thereto, and of the gardens, walks, and grounds used for the sustenance or recreation of the hospitallers, scholars and almsmen respectively, which are repaired and maintained by the funds of the hospital, public school or almshouse:
- (e) The amount of the tax charged on any building being the property of any literary or scientific institution, and used solely for the purposes of that institution, in which no payment is made or demanded for any instruction there afforded by

lectures or otherwise, and so far as not occupied by an officer of the institution or by any person paying rent for the same.

2. The allowances under the foregoing rule shall be granted by the general commissioners for the division.

No. VII.—Rules as to Person chargeable.

1. Save as in this Act provided in any particular case, tax under this Schedule shall be charged on and paid by the occupier for the time being.

2. Every person having the use of any lands or tenements shall be deemed to be the occupier thereof.

3. The tax on each assessment shall be levied on the occupier for the time being, without any new assessment, notwithstanding any change of occupation:

Provided that—

(a) An occupier who quits occupation shall be liable for the tax payable in respect of the period up to the date of his quitting occupation, so far as such tax falls to be ultimately borne by him:

(b) Nothing in this Act shall extend to authorise the levying upon an occupier for the time being of any tax under this Schedule which ought to have been levied upon and ultimately borne by any former occupier of the lands, tenements or hereditaments, and nothing herein contained shall affect any remedy under this Act for the levying of any such tax or any portion thereof, from such former occupier.

4. Tax under this Schedule shall be charged on all lands, tenements and hereditaments, whether occupied at the time of assessment or not, but if any house is or becomes unoccupied for the year or for part of the year of assessment, the tax shall not be levied thereon during the period while it is so unoccupied, and the general commissioners, on proof of the period during which the house was unoccupied, shall upon appeal discharge the tax in respect of that period.

5. If, after the making of an assessment, the lands are divided into two or more distinct occupations, the general commissioners, on the application of the persons respectively interested, shall determine what proportion of the tax shall be paid or borne by each occupier, and the amount apportioned shall be collected and levied in like manner as if it had been an original assessment.

6. In respect of any compositions, rents, or other payments in lieu of tithes the commissioners may, if they think fit—

(a) charge the occupiers of the lands from which the tithes arise; or

(b) charge the respective persons liable to make any such payments;

and

- (c) direct notices to be delivered to any such persons respectively for the purpose of obtaining returns of any such payments, and the like provisions and penalties shall apply as in the case of statements to be delivered of the annual value of lands.

7.—(1) Where lands, tenements, or hereditaments are subject to a rentcharge under the Tithe Act, 1836, or to any other rentcharge in lieu of tithe, and the owner of such rentcharge makes a return thereof for the purpose of an assessment being made upon him, the commissioners may, if they think fit, charge him under this Schedule in respect of the rentcharge, deducting therefrom the public local rates, taxes, and assessments charged thereon in the preceding year.

(2) Where any such charge is made upon the owner of the rentcharge, the amount of the rentcharge shall be allowed as a deduction from the annual value in assessing the lands, tenements, and hereditaments upon which it is charged.

8. The assessment and charge shall be made upon the landlord in respect of—

- (a) any dwelling-house in the occupation of a tenant which, with the buildings or offices belonging thereto, and the land occupied therewith, is of less annual value than ten pounds; and
- (b) any land and tenements which are let for a period less than one year; and
- (c) any house or building let in different apartments or tenements, and occupied by two or more persons severally. Any such house or building shall be assessed and charged as one entire house or tenement:

Provided that in each of the above cases in default of payment by the landlord, the tax may be levied upon the occupier or occupiers respectively.

9.—(1) The landlord or immediate lessor of any lands, houses, or buildings may, if the general commissioners think fit, be assessed and charged as if he were the occupier thereof, for any year of assessment in which a request in writing to that effect is received from him and for subsequent years until he shall by notice in writing cancel such request.

(2) Any such request or notice shall be delivered personally or be sent by post to the clerk to the general commissioners on or before the thirty-first day of July in the year for which it is first to take effect.

(3) The tax so charged upon the landlord or immediate lessor may be recovered from him in the same manner as any other income tax is recoverable, but this provision shall not prejudice the right to recover the same, if necessary, by distraint upon the premises or property in respect of which the charge was made, in the same way as if the charge had been made upon the occupier for the time being.

10. Tax to be charged in respect of any house or tenement occupied by the accredited Minister of any foreign State shall be charged on and paid by the landlord or person immediately entitled to the rent of the house or tenement.

11. Tax to be charged in respect of any house, tenement, or apartment belonging to the Crown, in the occupation of any officer of the Crown, by right of his office or otherwise, except apartments in Royal palaces, shall be charged on and paid by the occupier on the annual value thereof.

12. Where a house is divided into distinct properties, and occupied by distinct owners or their respective tenants, such properties shall be separately assessed and charged on the respective occupiers thereof.

13.—(1) Any mortgagee or creditor in any heritable bond or wadset, in possession of the lands, tenements, hereditaments, or heritages mortgaged or secured, if in actual occupation of the same, shall be assessed and charged as an occupier, and if not in actual occupation, shall be liable to the like deduction as any landlord.

(2) In any settlement of accounts between such mortgagee or other creditor and the mortgagor or debtor, tax payable on interest due in respect of the mortgage or debt shall be allowed as money received on account of interest.

No. VIII.—Rules as to the right of persons by whom tax is paid to recoupment in certain cases.

1. A tenant occupier of any lands, tenements, hereditaments or heritages who pays the tax shall be entitled to deduct and retain in respect of the rent payable to the landlord for the time being (all sums allowed by the commissioners being first deducted), an amount representing the rate or rates of tax in force during the period through which the said rent was accruing due for every twenty shillings thereof, the said deduction to be made out of the first payment thereafter made on account of rent, and any receiver on behalf of the Crown or other person receiving the rent shall, *on production of the receipt for the payment of the tax(s)*, allow the deduction on receipt of the residue of the rent:

Provided that in Scotland the said deduction from any rent due for the period ending on the fifteenth day of May shall be made at the rate of the tax in force at the commencement of that period:

Provided also that a tenant or occupier shall not be entitled to deduct out of the rent any greater sum than the amount of tax charged in respect of such property as aforesaid, and actually paid by him.

2. A tenant to whom a deduction is to be allowed under the preceding rule(s), of so much money as is represented by the deduction, as if that sum had been actually paid as rent.

3. An occupier of lands charged on the amount of any composition, rent, or payment for tithes arising therefrom who pays the tax shall on payment thereof be entitled to make the like deduction from any such composition, rent, or payment.

4.—(1) Where any lands, tenements, hereditaments, or heritages are subject to the payment of any annual sum, whether payable half-yearly or at any shorter or more distant period, a landlord, owner or proprietor who has been charged to tax under this Schedule or from whom tax is deductible under this rule or rule 1 or rule 3, shall be entitled on making such payment to deduct and retain thereout so much of the said tax as represents the rate or rates of income tax in force during the period through which the said payment was accruing due, for every twenty shillings thereof (the just proportion of any sums allowed by the commissioners being first deducted), and every receiver on behalf of the Crown, and every person to whom such payment is made shall, on receipt of the residue thereof, and without any charge for so doing, allow the deduction:

Provided that in Scotland the said deduction from any such payment due for the period ending on the fifteenth day of May shall be made at the rate of the tax in force at the commencement of that period:

Provided also that no such person as aforesaid who is also a tenant or the occupier of the lands, tenements, hereditaments, or heritages, shall be entitled to deduct out of any rent any greater sum than the amount of tax charged in respect of any such property and actually paid by him.

(2) In this rule "annual sum" means any yearly interest, annuity, rent, rentcharge (whether under the Tithe Act, 1836, or otherwise), fee farm rent, rent service, quit rent, feu duty, teind duty, stipend to a licensed curate, or other annual payment reserved or charged upon any lands, tenements, hereditaments, or heritages.

5. The landlord, owner or proprietor shall be acquitted and discharged of so much money as is represented by the deduction as if that sum had been actually paid.

6. Where under any Act passed before the twenty-eighth day of June, eighteen hundred and fifty-three, and in Ireland, under the Landed Property Improvement (Ireland) Act, 1847, or any Acts amending the same, an advance of public money to promote the improvement of lands has been made by way of loan, and the repayment thereof has been secured by a rentcharge upon the lands to be paid for a term of years, by which the principal sum advanced will eventually be repaid with interest, the person paying any such rent-charge may deduct and retain thereout so much of the tax under this Schedule charged in respect of the lands, as represents the tax on one-third, and no more, of the amount payable at the rate or rates of tax in force during the period through which the payment was accruing due; and the collectors and receivers of such rentcharges shall

allow such deduction upon receipt of the residue of such rentcharge then due.

7. A tenant occupier for the time being of any lands, tenements or hereditaments, who has been required to pay, and has paid, any sums charged in respect thereof under this Schedule which, under the provisions of this Act, ought to have been or ought to be paid by a former tenant or occupier, may deduct and retain out of any subsequent payment of rent to his landlord, the sum, or any part thereof, which ought to have been or ought to be so paid.

8. Where under rule 8 of No. VII. tax has been charged upon a landlord in respect of any premises mentioned in paragraph (a) or (b) of that rule, and in default of payment by the landlord the tax has been levied upon the occupier, the tax may be deducted and shall be allowed out of the next payment on account of rent.

9. Where under rule 8 of No. VII. tax has been charged upon a landlord in respect of any premises mentioned in paragraph (c) of that rule, and in default of payment by the landlord the tax has been levied upon the occupier or occupiers, the tax may be deducted and shall be allowed out of the next or any subsequent payment on account of rent.

10. If for the purpose of avoiding distraint upon any premises or property under paragraph (3) of rule 9 of No. VII. the occupier pays the tax, the amount thereof may be deducted and shall be allowed out of the next or any subsequent payment on account of rent.

11. As between the owner and a mortgagee of his property or any person having a charge thereon or entitled to any ground rent, rentcharge, annuity, or other annual sum payable thereout, the owner's right of deduction under these rules in respect of tax shall not be affected by any relief afforded under rule 7 of No. V.

No. IX.—Rules as to Place of Charge.

1. All properties shall be assessed and charged in the parish where they are situate, and not elsewhere, except as otherwise provided in the following rules. (y)

* * * * *

5. In the case of all lands the occupier, whether owner or tenant, or tenant under different owners, and whether the lands are situate in the same or in different parishes or divisions, shall return a statement in each parish in which any part of the lands is situate, and give a separate estimate of the lands in his occupation belonging to different owners, and if any such occupier wilfully omits to deliver any such statement in any

(y) Rules 2, 3, 4 and 9 are superseded by the transfer to Sched. D of Properties formerly in Sched. A, Nos. II and III by Act of 1926, s. 28.

parish, although he may not reside therein, he shall be charged for the lands omitted at treble the rate of tax in addition to any penalty for which he is liable.

6. Lands held under the same demise, or occupied by the same person as owner, if they are wholly within the same division though situate in different parishes, may, if the commissioners are satisfied that the proportion in each parish, in respect of quantity, rent, or value, cannot be ascertained, be assessed and charged in either parish.

7. In any such case if any lands extend into different divisions the assessment and charge shall be made in the division where the occupier resides.

8. Where a dwelling-house or any premises occupied therewith is situate in two or more parishes, the assessment and charge thereon shall be made in such one of those parishes only as the surveyor deems most expedient, and the surveyor shall notify to the commissioners acting for each of the said parishes the parish selected by him.

* * * * *

SCHEDULE B.

Tax under Schedule B shall be charged in respect of the occupation of all lands, tenements, hereditaments, and heritages in the United Kingdom for every twenty shilling of the assessable value thereof estimated in accordance with the rules of this Schedule.

In this Act the expression "assessable value" means in relation to tax under this Schedule an amount equal to (x) the annual value of the lands, tenements, hereditaments, or heritages, or, in any case in which it is proved to the satisfaction of the commissioners concerned that any person occupying any lands and assessed to tax in respect thereof is not occupying those lands for the purpose of husbandry only, or mainly for those purposes, and the Board of Agriculture and Fisheries on a reference to the Board by the Commissioners of Inland Revenue do not certify that the use of the lands by the occupier thereof for a purpose other than the purpose of husbandry is unreasonable, an amount equal to *one-third of (a)* the annual value.

The expression "Board of Agriculture and Fisheries" means in the application of this Act to Scotland, the Board of Agriculture for Scotland, and in the application of this Act to Ireland, means the Department of Agriculture and Technical Instruction for Ireland.

(x) Word "twice" omitted, Finance Act, 1922, s. 23 (1).

(a) Words inserted, Finance Act, 1922, s. 23 (1).

RULES APPLICABLE TO SCHEDULE B.

..... (b).

Rules.

1. Tax under this Schedule shall be charged in addition to the tax to be charged under Schedule A on all the properties in this Act directed to be charged to the said tax according to the general rule of No. I. of Schedule A:

Provided that there shall not be charged under this Schedule—

(a) any dwelling-house, or the domestic offices thereunto belonging, unless occupied, by virtue of one and the same demise, together with a farm of lands, or with a farm of tithes, for the purpose of farming the same; or

(b) any warehouse or other building occupied for the purpose of carrying on a trade or profession.

2. The rules of No. IV. of Schedule A shall apply with respect to estimating the annual value of land under this Schedule, subject to the following modifications:—

(a) Where any tenant of land or tenements is subject to an agreement to pay or satisfy any rates, taxes, or assessments which are by law chargeable on or payable by the landlord, the amount thereof *bonâ fide* paid by the tenant in and for the year preceding the year of assessment, shall, in making the estimate, if the lands have been let within the seven preceding years be added to the rent reserved; if the lands or tenements were not let within the said period the estimate shall be made according to the general rule of No. I. of Schedule A, with the like addition of the amount of any such payment:

(b) In the case mentioned in rule 11 of the said No. IV., the annual value shall be taken to be the rackrent at which the land could have been let by the year at the commencement of the demise as ascertained in accordance with this Act.

3. Rules 9, 10, and 11 of No. V., of Schedule A, relating to relief in the case of losses caused by flood or tempest, shall apply in the case of this Schedule as in the case of Schedule A, and as respects land the proprietor of which is shown to the satisfaction of the general commissioners to be an infant, idiot, or lunatic, or to be otherwise incapable of consenting to an abatement of the rent, an abatement and discharge of tax under this Schedule may be allowed by the general commissioners on proof to them of the loss in respect of the abatement of rent which in their opinion ought to have been made.

4. Rules 1, 2, 3, 4, and 5 of No. VII. of Schedule A, relating to the person chargeable, shall apply in the case of this Schedule as they apply in the case of Schedule A.

5.—(1) Any person occupying lands for the purposes of husbandry only may elect to be assessed and charged under Schedule D, and in accordance with the provisions and rules applicable thereto, instead of under this Schedule.

(2) The election of any such person shall be signified by notice in writing delivered personally or sent by post in a registered letter to the surveyor for the district within two months after the commencement of the year of assessment; and from and after the receipt of the notice the charge upon him for that year shall be under Schedule D, and the profits or gains arising to him from the occupation of the lands shall for all purposes be deemed to be profits or gains of a trade chargeable under that Schedule.

6. If a person who occupies, either as owner or otherwise, any lands for the purposes of husbandry only, shows at the end of any year of assessment to the satisfaction of the general commissioners that the profits or gains arising from that occupation during that year fell short of the assessable value of the lands under this Schedule, the income arising from that occupation shall be taken at the actual amount of those profits or gains, and if the whole of the tax has been paid, the amount overpaid shall be certified and repaid in like manner as tax is repaid under rule 6 of No. V. of Schedule A.

7. Any person occupying woodlands who proves to the satisfaction of the general commissioners or of the special commissioners that those woodlands are managed by him on a commercial basis and with a view to the realization of profits, may elect to be assessed and charged to tax in respect of those woodlands under Schedule D instead of under this Schedule in the same manner as a person occupying lands for the purposes of husbandry only, and rule 5 shall apply accordingly, subject as follows:—

(a) Any such election shall extend to all woodlands so managed on the same estate, but woodlands which are or have been planted or replanted since the nineteenth day of July nineteen hundred and sixteen shall be treated for this purpose as being woodlands on a separate estate, if the person occupying those woodlands gives notice to the general or special commissioners within *ten years* (b) after the time when they are so planted or replanted; and

(b) The election shall have effect, not only as respects the year of assessment, but also as respects all future years of assessment,

so long as the woodlands are occupied by the person making the election:

- (c) Any application to prove the aforesaid facts in any year in respect of the same woodlands must be made either to the general commissioners or to the special commissioners, and not to both.

8. The profits arising from lands occupied as nurseries or gardens for the sale of the produce (other than lands used for the growth of hops) shall be estimated according to the provisions and rules applicable to Schedule D, but shall be assessed and charged under this Schedule as profits arising from the occupation of lands.

SCHEDULE C.

Tax under Schedule C shall be charged in respect of all profits arising from interest, annuities, dividends, and shares of annuities payable out of any public revenue, for every twenty shillings of the annual amount thereof.

RULES APPLICABLE TO SCHEDULE C.

General Rules.

1. Tax under this Schedule—
 - (a) shall extend to all profits arising from interest, public annuities, dividends and shares of annuities payable in the United Kingdom out of any public revenue in the United Kingdom or elsewhere, in any year of assessment; and
 - (b) shall be charged by the commissioners designated for that purpose by this Act; and
 - (c) shall be paid by the persons and bodies of persons respectively intrusted with payment, on behalf of the persons entitled thereto.
2. No tax shall be chargeable in respect of—
 - (a) The stock, dividends or interest transferred to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners in pursuance of any Act of Parliament, but the Bank of England shall transmit to the special commissioners an account of the total amount thereof:
 - (b) The stock, dividends or interest belonging to the Crown in whatever name they may stand in the books of the Bank of England:
 - (c) The stock, dividends or interest of any accredited minister of any foreign State resident in the United Kingdom: Provided

that if the same stand in the name of a trustee, the property therein of any such minister shall be proved by the trustee to the special commissioners:

- (d) The interest or dividends on any securities of a foreign State or a British possession which are payable in the United Kingdom, where it is proved to the satisfaction of the Commissioners of Inland Revenue that the person owing the securities and entitled to the interest or dividends is not resident (c) in the United Kingdom; but, save as provided by this Act, no allowance shall be given or repayment be made in respect of the tax on the interest or dividends on the securities of any foreign State or any British possession which are payable in the United Kingdom:

Provided that where the securities of a foreign State or British possession are held under any trust, and the person who is the beneficiary in possession under the trust is the sole beneficiary in possession and can, by means either of the revocation of the trust or of the exercise of any powers under the trust, call upon the trustees at any time to transfer the securities to him absolutely free from any trust, that person shall, for the purposes of this provision, be deemed to be the person owning the securities.

The aforesaid relief may be given by the Commissioners of Inland Revenue either by way of allowance or repayment on a claim being made to them for the purpose.

3. Any bank carrying on a bonâ fide banking business in the United Kingdom shall be relieved, by repayment or otherwise, from tax under this Schedule in respect of the interest on any securities which the bank proves to the satisfaction of the special commissioners to represent subscriptions by the bank to any Government loan issued for the purposes of the present war either before or after the passing of this Act, and the bank shall include the amount of any such interest in the computation of its profits or gains for the purpose of assessment under Case I. of Schedule D.

Rules as to interest, &c., payable out of public revenue to or through the Bank of England or the Bank of Ireland, or by the National Debt Commissioners.

1. The Bank of England and the Bank of Ireland as respects any interest, annuities, dividends and shares of annuities and the profits attached thereto payable to them out of the public revenue of the United Kingdom, or payable out of any public revenue and intrusted to them

(c) As to appeal, see Act of 1924, s. 27.

for payment and distribution, and the National Debt Commissioners as respects interest, annuities and dividends payable by them or of which they have the distribution, shall, when any payment becomes due, deliver to the commissioners appointed to assess and charge the tax thereon true accounts in books provided for the purpose, of—

- (a) the amounts of the interest, annuities, dividends, or shares of annuities and profits attached thereto payable to the Bank;
- (b) all interest, annuities, dividends and shares of annuities intrusted to the Bank or to the National Debt Commissioners for payment to the persons entitled thereto; and
- (c) the amount of tax chargeable thereon at the rate in force at the time of payment without any other deduction than is allowed by this Act.

2. The aforesaid accounts shall distinguish the separate account of each person.

3. The appropriate commissioners shall assess the tax chargeable on the accounts delivered to the best of their judgment and belief, and deliver the assessment books, signed by them, to the special commissioners.

4. The special commissioners shall cause to be made out two certificates showing the total amount of tax, the total amounts of the interest, annuities, dividends, and shares of annuities and profits attached thereto charged with tax, and the description of the persons or bodies of persons to whom the same are payable, or who have the distribution or are intrusted with the payment thereof.

5. One certificate shall be transmitted to the respective commissioners whose duty it is to make the assessments and the other to the Commissioners of Inland Revenue.

6. The Bank of England and the Bank of Ireland shall set apart the tax in respect of the amounts payable to them, and the said Banks and the National Debt Commissioners respectively shall, before any payment is made by them, retain the amount of the tax for the purposes of this Act.

7. The retaining of the amount shall be deemed a payment of the tax by the persons entitled to the interest, annuities, dividends, or shares of annuities, and shall be allowed by them on receipt of the residue thereof, and the Bank of England, the Bank of Ireland, and the National Debt Commissioners respectively shall be acquitted and discharged of a sum equal to the amount retained as though that sum had been actually paid. (a)

8. Money so set apart or retained and the amount of any tax charged on the trading profits of either Bank, shall be paid into the general

(a) See Finance Act 1938 s. 23.

account of the Commissioners of Inland Revenue at the Bank of England or the Bank of Ireland, and every such payment shall be accompanied with a certificate, under the hands of two or more of the commissioners who make the assessment, of the amount of the assessment under which the payment is made.

9. Except as otherwise provided in any other enactments in force at the commencement of this Act, no assessment, charge or deduction of tax under these rules shall be made where any half-yearly payment in respect of interest, annuities, dividends, or shares of annuities does not exceed fifty shillings, but such interest, annuities, dividends or shares of annuities shall be assessed and charged under Case III. of Schedule D.

10. No deduction of tax under these rules shall be made from any dividends in respect of which such certificate as is mentioned in section twenty-eight of the Charitable Trusts (Amendment) Act, 1855, has been given to the Bank of England.

Rules as to interest, &c., with the payment of which persons other than the Bank of England, the Bank of Ireland and the National Debt Commissioners are intrusted.

1. Every person (other than the National Debt Commissioners or the Bank of England or the Bank of Ireland) who is intrusted with the payment of any dividends which are payable out of the public revenue of Northern Ireland, or which are payable (d) to any persons in the United Kingdom out of any public revenue other than that of the United Kingdom or of Northern Ireland (d) shall, within one month after being so required by notice published in the Gazette, deliver to the Commissioners of Inland Revenue an account in writing, giving his name and residence, and a description of the dividends intrusted to him for payment, and shall also, on demand by the inspector authorised for that purpose by the Commissioners of Inland Revenue, deliver to him, for the use of the special commissioners, true and perfect accounts of the amount of all such dividends.

2. The special commissioners shall have all necessary powers in relation to the examining, auditing, checking and clearing the books and accounts of dividends delivered under the authority of this Act, and shall assess and charge the dividends at the rate of tax in force at the time of payment, but reduced by the amount of the exemptions (if any) allowed by them, and shall give notice of the amount so assessed and charged to the person intrusted with payment.

3. The person intrusted with payment shall out of the moneys in his hands pay the tax on the dividends on behalf of the persons entitled thereto, and shall be acquitted in respect of all such payments, and the provisions

of this Act shall apply as in the case of dividends payable as aforesaid out of the public revenue of the United Kingdom.

4. The person intrusted with payment shall pay the tax into the general account of the Commissioners of Inland Revenue at the Bank of England or the Bank of Ireland, and in default of payment it shall be recovered from him in the same manner as other income tax assessed and charged upon him may be recovered.

5. A person intrusted with payment who does all such things as are necessary to enable the tax to be assessed and paid shall receive as remuneration an allowance, to be calculated by reference to the amount of the dividends paid from which tax has been deducted, and to be fixed by the Treasury at a rate not being less than thirteen shillings and sixpence for every thousand pounds of that amount:

Provided that this rule shall not apply to any person intrusted with the payment of dividends payable out of the public revenue of Northern Ireland. (a)

6. A person intrusted with payment who neglects or refuses to deliver any such account as required by those rules shall forfeit the sum of one hundred pounds over and above the tax chargeable on any such dividends.

7. The following persons, that is to say:—

- (a) Any person having the ordinary custody of any book, or making any list ordinarily kept in the United Kingdom, wherein the right or title of the person to whom the payment is to be made is shown by the registration or entry of his name;
- (b) Any banker or person acting as a banker, who sells or otherwise realises coupons for any dividends (save such as are payable in the United Kingdom only), and pays over the proceeds to any person or carries the same to his account;
- (c) Any person who by means of coupons received from any other person or otherwise on his behalf, obtains payment of any dividends elsewhere than in the United Kingdom;
- (d) Any dealer in coupons who purchases coupons for any dividends (save such as are payable in the United Kingdom only) otherwise than from a banker or person acting as a banker, or another dealer in coupons,

shall be included as being persons intrusted with the payment of dividends within the meaning of these rules.

8. Nothing in these rules shall impose on any banker or other person acting as a banker the obligation to disclose any particulars relating to the affairs of any person on whose behalf he may be acting.

9. In these rules the expression "dividends" includes interest, annuities, dividends, and shares of annuities, and the expressions "coupons" and "coupons for any dividends," include warrants for or bills of exchange purporting to be drawn or made in payment of any dividends.

Rules as to interest, &c., payable out of public revenue by any public department.

1. Interest, annuities, dividends and shares of annuities payable out of any public revenue by any public office or department of the Crown shall be charged under this Schedule by the commissioners for offices in the said public office or department.

2. The said commissioners shall exercise the like powers and duties as are possessed by the commissioners empowered to charge interest, annuities, dividends, and shares of annuities payable out of the public revenue in other cases, and shall appoint assessors and collectors from the officers in their office or department entrusted with the payment thereof.

3. The said assessors and collectors shall, when any such payments are made as aforesaid, compute the tax thereon and certify the same to the proper officer for payment, who shall retain the tax and pay the same into the general account of the Commissioners of Inland Revenue at the Bank of England or the Bank of Ireland.

SCHEDULE D.

1. Tax under this Schedule shall be charged in respect of—

(a) The annual profits or gains arising or accruing—

(i) to any person residing in the United Kingdom from any kind of property whatever, whether situate in the United Kingdom or elsewhere; and

(ii) to any person residing in the United Kingdom from any trade, profession, employment, or vocation, whether the same be respectively carried on in the United Kingdom or elsewhere; and

(iii) to any person, whether a British subject or not, although not resident in the United Kingdom, from any property whatever in the United Kingdom, or from any trade, profession, employment, or vocation exercised within the United Kingdom; and

(b) All interest of money, annuities, and other annual profits or gains not charged under Schedule A, B, C or E, and not specially exempted from tax;

in each case for every twenty shilling of the annual amount of the profits or gains.

2. Tax under this Schedule shall be charged under the following cases respectively; that is to say,—

Case I.—Tax in respect of any trade not contained in any other Schedule;

Case II.—Tax in respect of any profession, employment, or vocation not contained in any other Schedule;

Case III.—Tax in respect of profits of an uncertain value and of other income described in the rules applicable to this Case;

Case IV.—Tax in respect of income arising from securities out of the United Kingdom, except such income as is charged under Schedule C;

Case V.—Tax in respect of income arising from possessions out of the United Kingdom;

Case VI.—Tax in respect of any annual profits or gains not falling under any of the foregoing Cases, and not charged by virtue of any other Schedule;

and subject to and in accordance with the rules applicable to the said Cases respectively.

RULES APPLICABLE TO SCHEDULE D.

Rule applicable to Case I.

The tax shall extend to every trade carried on in the United Kingdom or elsewhere, (b), and shall be computed on the full amount of the balance of the profits or gains upon a fair and just average of three years ending on that day of the year immediately preceding the year of assessment on which the accounts of the said trade have been usually made up, or on the fifth day of April preceding the year of assessment.

Rule applicable to Case II.

The tax shall extend to every employment by retainer in any character whatever, whether such retainer shall be annual or for a longer or shorter period, and to all profits and earnings of whatever value arising from employments, and shall be computed on the full amount of the balance of the profits, gains and emoluments of the professions, employments or vocations upon a fair and just average of three years ending as in Case I.

Rules applicable to Cases I. and II.

1.—(1) The tax shall be charged without any other deduction than is by this Act allowed.

(2) Where the trade, profession, employment, or vocation has been set up and commenced within the year preceding the year of assessment(c),

(b) Words repealed, Act of 1926, s. 37, and 5th Sched., Part I.

(c) Amended by Act of 1926, s. 36 and 4th Sched.

the computation shall be made on . . . (c) the profits or gains for one year from the period of the first setting up of the same, and where it has been set up and commenced within the year of assessment, the computation shall be made according to the rules applicable to Case VI.

2.—(1) (d) Weekly wage-earners shall be assessed and charged to tax in respect of their wages in each quarter of the year instead of in the whole year, and shall in all cases be assessed and charged in respect of the actual amount of their wages for that quarter, and as respects any such assessment and charge and the collection of the tax the provisions of this Act shall have effect as if tax were charged for each quarter instead of for the year.

(2) This rule applies only to weekly wage-earners employed by way of manual labour in respect of the wages arising from that employment, and does not apply to persons employed as clerks, typists, draftsmen, or in any other similar capacity.

(3) If any question arises whether any person is a person to whom this rule applies, that question shall be determined jointly by the Commissioners of Inland Revenue and the general commissioners, and their determination shall be final and conclusive on the question.

3. In computing the amount of the profits or gains to be charged, no sum shall be deducted in respect of—

(a) any disbursements or expenses, not being money wholly and exclusively laid out or expended for the purposes of the trade, profession, employment, or vocation:

(b) any disbursements or expenses of maintenance of the parties, their families or establishments or any sums expended for any other domestic or private purposes distinct from the purposes of such trade, profession, employment, or vocation:

(c) the rent or annual value of any dwelling-house or domestic offices or any part thereof, except such part thereof as is used for the purposes of the trade or profession: Provided that where any such part is so used, the sum so deducted shall be such as may be determined by the commissioners, and shall not, *unless in any particular case the commissioners are of opinion that, having regard to all the circumstances, some greater sum ought to be deducted, exceed two-thirds*(e) of the annual value or of the rent *bonâ fide* paid for the said dwelling-house or offices:

(d) any sum expended for repairs of premises occupied, or for the supply, repairs, or alterations of any implements, utensils, or

(c) Amended by Act of 1926, s. 36 and 4th Sched.

(d) This Rule is now deemed to be one of the Rules applicable to Sched. E, Finance Act, 1922, s. 18 (2).

(e) Words substituted, Finance Act, 1921, s. 31.

articles employed for the purposes of the trade, profession, employment or vocation, beyond the sum *actually* (b) expended for those purposes . . . (b):

- (e) any loss not connected with or arising out of the trade, profession, employment or vocation:
- (f) any capital withdrawn from, or any sum employed or intended to be employed as capital in such trade, profession, employment or vocation:
- (g) any capital employed in improvements of premises occupied for the purposes of the trade, profession, employment or vocation:
- (h) any interest which might have been made if any such sums as aforesaid had been laid out at interest:
- (i) any debts, except bad debts proved to be such to the satisfaction of the commissioners and doubtful debts to the extent that they are respectively estimated to be bad. In the case of the bankruptcy or insolvency of a debtor, the amount which may reasonably be expected to be received on any such debt shall be deemed to be the value thereof:
- (j) any average loss beyond the actual amount of loss after adjustment:
- (k) any sum recoverable under an insurance or contract of indemnity:
- (l) any annual interest, or any annuity, or other annual payment payable out of the profits or gains:
- (m) any royalty or other sum paid in respect of the user of a patent.

4.—(1) Where any person has paid excess profits duty (f); the amount so paid shall be allowed as a deduction in computing the profits or gains of the year which included the end of the accounting period in respect of which the excess profits duty has been paid; but where any person has received payment of any amount previously paid by him by way of excess profits duty, the amount repaid shall be treated as profit for the year in which the repayment is received:

Provided that any excess profits duty which becomes chargeable by virtue only of the provisions of the Finance Act, 1918, relating to profits arising from the sale of trading stock otherwise than in the ordinary course of trade, shall not be deemed to be excess profits duty for the purposes of this rule.

(2) The payment of excess profits duty (f) shall not be deemed to be a specific cause for the purpose of rule 3 of the miscellaneous rules applicable to this Schedule.

(3) Where in any year of assessment the profits or gains from which a deduction may be made under this rule come into computation, but owing

(b) Amended by Act of 1926, s. 36, 4th Sched.

(f) Paras. (1), (2), (3) applied with reference to corporation profits tax, Finance Act, 1920, s. 31,

to the time at which the amount of the excess profits duty(f) became ascertained it was impracticable to give effect to the deduction when assessing income tax, the amount by which that tax would have been reduced if effect had been given to the deduction shall be deducted from the amount payable for excess profits duty or, if there is no excess profits duty, shall be repaid to the taxpayer.

(4) This rule shall apply to sums actually paid in respect of munitions Exchequer payments as it applies to excess profits duty, except that the relief to the taxpayer under the last preceding paragraph of this rule shall in all cases be given by means of repayment and not by deduction.

(5) Any excess profits duty and any munitions Exchequer payments which under the provisions contained in section forty-eight of the Finance Act, 1916 (which provides for the adjustments of excess profits duty and munitions Exchequer payments in the case of controlled establishments), are remitted for the purpose of collection, shall not be deemed to have been paid for the purposes of this rule.

(6) The expression "munitions Exchequer payment" means any sums paid or payable into the Exchequer under section four of the Munitions of War Act, 1915, on account of the excess of the net profits of a controlled establishment.

5.—(1) The computation of tax shall be made exclusive of the *annual value (ff)* of lands, tenements, hereditaments, or heritages occupied for the purpose of the trade or profession, *and separately assessed and charged under Schedule A.(ff)*

.....where any lands, tenements, hereditaments, or other premises of whatsoever description used for the purpose of any trade, profession, employment, or vocation, are situate outside the United Kingdom, no deduction or set-off shall, in estimating the amount of annual profits or gains arising or accruing from that trade, profession, employment, or vocation, in any manner be allowed on account or in respect of the annual value of those premises.

(2) Where, in estimating the amount of annual profits or gains arising or accruing from any trade, profession, employment, or vocation and chargeable to tax under this Schedule, any sum is deducted on account of the annual value of the *lands, tenements, hereditaments and heritages (ff)* used for the purpose of such trade, profession, employment, or vocation, the sum so deducted shall not exceed the amount of the assessment of the *lands, tenements, hereditaments and heritages (ff)* for the purpose of tax under Schedule A as reduced for the purpose of collection:

(f) Paras. (1), (2), (3) applied with reference to corporation profits tax, Finance Act, 1920, s. 31.

(ff) Amended by Act of 1926, s. 36, and Fourth Sched.

..... (g).

6.—(1) In charging the profits or gains of a trade under this Schedule, such deduction may be allowed as the commissioners having jurisdiction in the matter may consider just and reasonable, as representing the diminished value by reason of wear and tear during the year of any machinery or plant used for the purposes of the trade and belonging to the person by whom it is carried on. (a)

(2) Where machinery or plant is let to the person by whom the trade is carried on, on the terms of his being bound to maintain the same and deliver it over in good condition at the end of the lease, the machinery or plant shall be deemed to belong to that person for the purpose of this rule.

(3) Where full effect cannot be given to any such deduction in any year owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the deduction, the deduction or part of the deduction to which effect has not been given, as the case may be, shall, for the purpose of making the assessment for the following year, be added to the amount of the deduction for wear and tear for that year, and deemed to be part of that deduction, or, if there is no such deduction for that year, be deemed to be the deduction for that year, and so on for succeeding years.

(4) Any claim in respect of the aforesaid deduction shall be included in the annual statement required to be delivered under this Act of the profits or gains of the trade for which the machinery or plant is used, and the additional commissioners, in assessing those profits or gains, shall make such allowance in respect thereof as they think just and reasonable.

(5) Where machinery or plant is let upon such terms that the burden of maintaining and restoring it falls upon the lessor, he shall be entitled, on presenting a claim to the general or special commissioners, to have repaid to him such a portion of the sum assessed and charged in respect of the machinery or plant, and deducted by the lessee on payment of the rent, as shall represent the tax upon an amount which the commissioners consider just and reasonable as representing the diminished value by reason of wear and tear of the machinery or plant during the year.

No such claim shall be allowed unless made within twelve months after the expiration of the year of assessment.

(6) No deduction for wear and tear, or repayment on account of any such deduction, shall be allowed for any year if the deduction, when added to the deductions allowed on that account for any previous years to the person by whom the trade is carried on, will make the aggregate amount

(g) Repealed by Finance Act of 1937.

(a) See Act of 1932, s. 18.

of the deductions exceed the actual cost to that person of the machinery or plant, including in that actual cost any expenditure in the nature of capital expenditure on the machinery or plant by way of renewal, improvement, or re-instatement.

(7) Where an application is made to the Commissioners of Inland Revenue for the alteration of the amount of any deduction for wear and tear, the Commissioners, unless they are of opinion that the application is frivolous or vexatious, shall refer the case to the Board of Referees, and that Board shall, if they are satisfied that the application is made by or on behalf of any considerable number of persons engaged in any class of trade or business, take the application into their consideration, and determine the deduction to be allowed.

In this rule the expression "Board of Referees" means any Board of Referees appointed for the purpose of Part III. of the Finance (No. 2) Act, 1915, or, if there is no such Board, a Board of Referees to be appointed for the purpose of this rule by the Treasury.

7. In estimating the profits or gains of any trade, manufacture, adventure, or concern in the nature of trade chargeable under this Schedule there shall be allowed to be deducted as expenses incurred in any year so much of any amount expended in that year in replacing any plant or machinery which has become obsolete as is equivalent to the cost of the plant or machinery replaced after deducting from that cost the total amount of any allowances which have at any time been made in estimating profits or gains as aforesaid on account of the wear and tear of that plant and machinery, and any sum realised by the sale of that machinery or plant.

8.(j).

9.—(1) If a person charged under this Schedule ceases within the year of assessment to carry on the trade, profession, or vocation in respect of which the assessment is made, and is succeeded therein by another person, the surveyor shall, within four months from the fifth day of April next after any such change, certify to the general commissioners for the division in which the assessment is made the particulars thereof, and the full name and residence of the person charged and of his successor and the date of the change, if the same be known to the surveyor.

(2) On receipt of the certificate the commissioners shall cause notice to be given to the respective persons of a meeting of the commissioners to consider it, and after examination of the said persons, if they attend, or on other satisfactory proof of the facts, the commissioners shall adjust the assessment by charging the successor with a fair proportion thereof from the time of his succeeding to the trade, profession, or vocation, and relieving the person originally charged from a like amount.

(3) The determination of the commissioners on any such certificate shall be final, and the sum apportioned to each such person shall be recoverable from him in like manner as if he had been charged under the original assessment.

(4) If either of the said persons has paid in respect of an assessment so certified more than the proportion which appears by the determination of the commissioners to be chargeable on him, the amount overpaid shall, when recovered from the person liable, be paid to the person by whom the overpayment was made.

10.—(1) Where a trade or profession is carried on by two or more persons jointly, the tax in respect thereof shall be computed and stated jointly and in one sum, and shall be separate and distinct from any other tax chargeable on those persons or any of them, and a joint assessment shall be made in the partnership name.

(2) The precedent partner, that is to say, the partner who, being resident in the United Kingdom—

- (i) is first named in the agreement of partnership; or
- (ii) if there be no agreement, is named singly or with precedence to the other partners in the usual name of the firm; or
- (iii) is the precedent acting partner, if the person named with precedence is not an acting partner;

shall make and deliver a statement of the profits or gains of such trade or profession, on behalf of himself and the other partners, and declare therein the names and residences of the other partners, under the penalty prescribed by this Act for default in delivering a statement.

(3) Where no partner is resident in the United Kingdom the statement shall be made and delivered by the agent, manager, or factor of the firm resident in the United Kingdom.

(4) Any other partner may, if a statement has been delivered as aforesaid, notify the fact that he is a partner together with his name and place of abode, without returning the amount of tax payable in respect of the partnership, but the respective commissioners may, if they think fit, require from every partner a like statement and the like information and evidence, as they are entitled to require from the precedent partner.

11.—(1) (k) If at any time after the fifth day of April, nineteen hundred and twenty-eight, a change occurs in a partnership of persons engaged in any trade, profession or vocation, by reason of retirement or death, or the dissolution of the partnership as to one or more of the partners, or the admission of a new partner, in such circumstances that one or more of the persons who until that time were engaged in the trade, profession or vocation continue to be engaged therein, or a person who

until that time was engaged in any trade, profession or vocation on his own account continues to be engaged in it, but as a partner in a partnership, the tax payable by the person or persons who carry on the trade, profession or vocation after that time shall, notwithstanding the change, be computed according to the profits or gains of the trade, profession or vocation during the period prescribed by the Income Tax Acts:

Provided that, where all the persons who were engaged in the trade, profession or vocation both immediately before and immediately after the change require, by notice signed by all of them, or, in the case of a deceased person, by his legal representatives, and sent to the surveyor within three months after the change took place, that the tax payable for all years of assessment shall be computed as if the trade, profession or vocation had been discontinued at the date of the change, and a new trade, profession or vocation had been then set up or commenced, and that the tax so computed for any year shall be charged on and paid by such of them as would have been charged if such discontinuance and setting up or commencement had actually taken place, the tax shall be computed, charged, collected and paid accordingly.

(2) If at any time after the said fifth day of April any person succeeds to any trade, profession or vocation which until that time was carried on by another person and the case is not one to which paragraph (1) of this Rule applies, the tax payable for all years of assessment by the person succeeding as aforesaid shall be computed as if he had set up or commenced the trade, profession or vocation at that time, and the tax payable for all years of assessment by the person who until that time carried on the trade, profession or vocation shall be computed as if it had then been discontinued.

In this paragraph references to a person include references to a partnership.

(3) In the case of the death of a person who, if he had not died, would, under the provisions of this Rule, have become chargeable to income tax for any year, the tax which would have been so chargeable shall be assessed and charged upon his executors or administrators, and shall be a debt due from and payable out of this estate.

12.—(1) Where any trade or business is carried on by two or more persons in partnership, and the control and management of such trade or business is situate abroad, the trade or business shall be deemed to be carried on by persons resident outside the United Kingdom, and the said partnership shall be deemed to reside outside the United Kingdom, notwithstanding the fact that some of the members of the said partnership are resident in the United Kingdom and that some of the trading operations of the said partnership are conducted within the United Kingdom.

(2) Where any part of the trade or business of a partnership firm

whose management and control is situate abroad consists of trading operations within the United Kingdom, the said firm shall be chargeable in respect of the profits of such trading operations within the United Kingdom to the same extent as, and no further than, a person resident abroad is chargeable in respect of trading operations by him within the United Kingdom, notwithstanding the fact that one or more of the members of the said firm are resident in the United Kingdom:

Provided that for the purpose of charging any such firm in respect of the profits of the said trading operations within the United Kingdom, an assessment may be made on the said firm in respect of the said profits in the name of any partner resident in the United Kingdom.

13. A person who carries on, either solely or in partnership, two or more distinct trades the profits of which are chargeable under the rules of this Schedule, may deduct from or set off against the profits as computed under this Act in respect of one or more such trades, the loss so computed sustained in any other such trade, and may make separate statements as to each such trade.

14. Any bank which has obtained relief from tax under Schedule C by reason of the provisions of rule 3 of the general rules applicable to Schedule C in respect of the interest on any securities representing subscriptions of the bank to a war loan shall include the amount of any such interest in the computation of its profits or gains for the purpose of assessment under Case I. of this Schedule.

15.—(1) Where an assurance company carries on life assurance business in conjunction with assurance business of any other class, the life assurance business of the company shall for the purposes of this Act be treated as a separate business from any other class of business carried on by the company.

(2) In ascertaining whether an assurance company has sustained a loss in respect of its life assurance business for the purpose of setting off such loss against the profits of any other business carried on by the company, or for the purpose of obtaining an adjustment of its liability by reference to the loss and to the aggregate amount of its income under the provisions contained in this Act, any income of the company derived from the investments of its life assurance fund shall be treated as part of the profits of the company acquired in that business.

16. Every statement of profits to be charged under this Schedule which is made by any person—

(i) on his own account; or

(ii) on account of some other person for whom he is chargeable, or who is chargeable in his name,

shall include every source of income so chargeable, and a person shall

be chargeable in respect of the whole of the tax so chargeable in one and the same division and by the same commissioners:

Provided that where the same person is engaged in different partnerships or in different trades in different places, a separate assessment and charge shall be made in respect of each concern at the place where, if singly carried on, it would be assessed and charged under the provisions of this Act.

17. Where a person delivers a statement of profits as aforesaid on behalf of some other person, or of a body of persons the statement shall be delivered in the division where the person delivering the statement or the body of persons respectively would be assessable and chargeable if acting on his or their own behalf.

Rules applicable to Case III.

1. The tax shall extend to—

- (a) any interest of money, whether yearly or otherwise, or any annuity, or other annual payment, whether such payment is payable within or out of the United Kingdom, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation thereout, or as a personal debt or obligation by virtue of any contract, or whether the same is received and payable half-yearly or at any shorter or more distant periods;
- (b) all discounts;
- (c) profits on securities bearing interest payable out of the public revenue other than such as are charged under Schedule C;
- (d) interest, annuities, dividends and shares of annuities payable out of any public revenue where the half-yearly payments in respect thereof do not exceed fifty shillings and are not chargeable under Schedule C;
- (e) interest paid or credited in full without deduction of tax by any savings bank to any depositor;
- (f) interest on any Exchequer bonds issued under the authority of the Treasury during the continuance of the present war and a period of six months thereafter and on any securities issued under the War Loan Acts, 1914 to 1917, or any Act amending those Acts, in cases where such interest is paid without deduction of tax.

2.—(1) *The tax shall, subject as hereinafter provided, be computed—*

- (a) *as respects the year of assessment in which the profits or income first arise, on the full amount of the profits or income arising within that year; and*
- (b) *as respects subsequent years of assessment, on the full amount*

of the profits or income arising within the year preceding the year of assessment:

Provided that—

(i) *where the profits or income first arose on some day in the year preceding the year of assessment other than the sixth day of April, the computation shall be made on the profits or income of the year of assessment; and*

(ii) *where the profits or income first arose on the sixth day of April in the year preceding the year of assessment, or on some day in the year next before the year preceding the year of assessment other than the sixth day of April, the person charged shall be entitled, on giving notice in writing to the surveyor of taxes at any time within twelve months after the end of the year of assessment, to be charged on the amount of the profits or income of that year, and if the tax charged has been paid, any amount overpaid shall be repaid.*

(2) *Tax shall be paid on the actual amount computed as aforesaid without any deduction. (h).*

3.—(1) Where an assurance company not having its head office in the United Kingdom carries on life assurance business through any branch or agency in the United Kingdom, any income of the company from the investments of its life assurance fund (excluding the annuity fund, if any), wherever received, shall, to the extent provided in this rule, be deemed to be profits comprised in this Schedule and shall be charged under this Case.

(2) Such portion only of the income from the investments of the life assurance fund for the year preceding the year of assessment shall be so charged as bears the same proportion to the total income from those investments as the amount of premiums received in that year from policy holders resident in the United Kingdom and from policy holders resident abroad whose proposals were made to the company at or through its office or agency in the United Kingdom bears to the total amount of the premiums received by the company:

Provided that in the case of an assurance company having its head office in any British possession, the Commissioners of Inland Revenue may, by regulation, substitute some basis other than that herein prescribed for the purpose of ascertaining the portion of the income from investments to be so charged as being income derived from business carried on in the United Kingdom.

(3) Every such charge shall be made by the special commissioners as though the company under the provisions of this Act had required the

proceedings relating to the charge to be had and taken before those commissioners.

(4) Where a company has already been charged to tax, by deduction or otherwise, in respect of its life assurance business, to an amount equal to or exceeding the charge under this rule, no further charge shall be made under this rule, and where a company has already been so charged, but to a less amount, the charge shall be proportionately reduced.

4. If the commissioners find that lands which have been charged under Schedule B on the assessable value, and which are occupied by a dealer in cattle or a dealer in or a seller of milk, are insufficient for the keep of the cattle brought on to the lands, so that the assessable value affords no just estimate of the profits, they may require a statement of the profits to be delivered, and charge such further sum thereon as, together with the charge under Schedule B, will make up the full sum wherewith the dealer or seller ought to be charged in respect of the like amount of profits charged according to rule 2 of the rules applicable to this Case.

Rules applicable to Case IV.

1. The tax in respect of income arising from securities in any place out of the United Kingdom shall be computed on the full amount thereof arising in the year of assessment, whether the income has been or will be received in the United Kingdom or not, subject in the case of income not received in the United Kingdom, to the same deductions and allowances as if it had been so received, and to the deduction, where such a deduction cannot be made under any other provision of this Act, of any sum which has been paid in respect of income tax in the place where the income has arisen, and to a deduction on account of any annual interest or any annuity or other annual payment payable out of the income to a person not resident in the United Kingdom, and the provisions of this Act (including those relating to the delivery of statements) shall apply accordingly.

2. The foregoing rule shall not apply—

- (a) to any person who satisfies the Commissioners of Inland Revenue that he is not domiciled in the United Kingdom, or that, being a British subject, he is not ordinarily resident in the United Kingdom; or
- (b) to income arising from such securities as aforesaid which form part of the investments of the foreign life assurance fund of an assurance company.

The tax in any such case shall be computed on the full amount, so far as the same can be computed, of the sums which have been, or will be, received in the United Kingdom in the year of assessment without any deduction or abatement.

3 (i).....

Rules applicable to Case V.

1. The tax in respect of income arising from stocks, shares or rents in any place out of the United Kingdom shall be computed on the full amount thereof on an average of the three preceding years, as directed in Case I., whether the income has been or will be received in the United Kingdom or not, subject, in the case of income not received in the United Kingdom, to the same deductions and allowances as are provided in rule 1 of the rules applicable to Case IV., and the provisions of this Act, including those relating to the delivery of statements, shall apply accordingly.

2. The tax in respect of income arising from possessions out of the United Kingdom, other than stocks, shares or rents, shall be computed on the full amount of the actual sums annually received in the United Kingdom from remittances payable in the United Kingdom, or from property imported, or from money or value arising from property not imported, or from money or value so received on credit or on account in respect of any such remittances, property, money, or value brought or to be brought into the United Kingdom, on an average of the three preceding years as directed in Case I., without any deduction or abatement other than is therein allowed.

3. Rule 1 of the foregoing rules shall not apply—

(a) to a person who satisfies the Commissioners of Inland Revenue that he is not domiciled in the United Kingdom, or that, being a British subject, he is not ordinarily resident in the United Kingdom; or

(b) to the income therein described arising from the investments of the foreign life assurance fund of an assurance company;

and in such cases the computation shall be made in accordance with rule 2.

4.(j).

Rules applicable to Case VI.

1. The nature of the profits or gains, and the basis on which the amount thereof has been computed, including the average, if any, taken thereon, shall be stated to the commissioners.

2. The computation shall be made, either on the full amount of the profits or gains arising in the year of assessment, or according to an average of such a period, *not being greater (o)* than one year, as the case may require, and as may be directed by the commissioners.

(i) Rule 3 repealed, Act of 1924, s. 41 (4), and 3rd Sched.; as to appeal, see Act of 1924, s. 27. A new rule 4 added to Case V by s. 26 of the Act of 1924 was repealed by the Act of 1926, s. 37 and 5th Sch. Part I.

(j) Repealed by Act of 1926, s. 37 and 5th Sched. Part I.

(o) Amended by Act of 1926, s. 29 (2).

3. Every such statement and computation shall be made to the best of the knowledge and belief of the person in receipt of or entitled to the profits or gains.

Miscellaneous Rules applicable to Schedule D.

1. Tax under this Schedule shall be charged on and paid by the persons or bodies of persons receiving or entitled to the income in respect of which tax under this Schedule is hereinbefore directed to be charged.

2. A person shall not be charged to tax under this Schedule as a person residing in the United Kingdom, in respect of profits or gains received in respect of possessions or securities out of the United Kingdom, who is in the United Kingdom for some temporary purpose only, and not with any view or intent of establishing his residence therein, and who has not actually resided in the United Kingdom at one time or several times for a period equal in the whole to six months in any year of assessment, but if any such person resides in the United Kingdom for the aforesaid period he shall be so chargeable for that year.

3. (p).

4.—(1) A person engaged in a trade, profession, employment, or vocation shall be assessable and chargeable in the parish—

(a) where the trade, profession, employment, or vocation is carried on, whether carried on wholly or in part only within the United Kingdom, and whether he is engaged in one or more of such concerns; or

(b) where he ordinarily resides,

except that a person engaged in a trade within the United Kingdom carried on by the manufacture of goods, wares, or merchandise shall be assessable and chargeable—

(a) at the place of manufacture, although the sales thereof be elsewhere; or

(b) where he ordinarily resides.

(2) A person who is a householder and not engaged in a trade, profession, employment, or vocation shall be assessable and chargeable in the parish in which his dwelling-house is situate, or where he ordinarily resides.

(3) A person not engaged in a trade, profession, employment, or vocation, who has two or more places of ordinary residence, shall be assessable and chargeable at either such place.

(4) A person who is neither a householder, nor engaged in a trade, profession, employment, or vocation, who has a place of ordinary residence,

shall be assessable and chargeable in the parish in which he ordinarily resides.

(5) Every other person not hereinbefore described shall be assessable and chargeable in the parish where he resides at the time of the issue of the general notices under this Act, or where he first comes to reside after the time of the issue of those general notices.

(6) Every assessment and charge made in pursuance of the above provisions shall be valid and effectual, notwithstanding the subsequent removal of the person from the parish in which he is assessed or charged.

(7) For the purpose of ascertaining the proper parish of assessment and charge, every person who delivers a list or statement under this Act shall deliver at the same time a signed declaration stating—

- (a) where he is assessable and chargeable; and
- (b) whether he is or is not engaged in a trade, profession, employment, or vocation, and, if so, the place within the United Kingdom where it is carried on, and particulars of every trade, profession, employment, or vocation in which he shall be engaged in such place, whether it be carried on wholly or partly within the United Kingdom.

5. The commissioners may require a person who has two residences, or who carries on or exercises a trade or profession in different parishes, or in a parish other than the parish of his ordinary residence, to deliver in each such parish the like lists, declarations, and statements as he is required to deliver in the parish where he ought to be assessed and charged, but no such person shall by reason thereof be liable to any double charge.

6. Where any creditor on any rates or assessments not chargeable as profits is entitled to any interest of money, the proper officer having the management of the accounts may be charged with the tax payable thereon, and shall be answerable for all matters necessary to enable the tax to be duly charged and for payment thereof, as if the rates or assessments were profits chargeable to tax, and shall be, in like manner, indemnified in respect of all such matters as if the said rates or assessments were chargeable.

7.—(1) Where—

- (a) any interest, dividends, or other annual payments payable out of or in respect of the stocks, funds, shares, or securities of any foreign or colonial company, society, adventure, or concern; or
- (b) any annuities, pensions, or other annual sums payable out of the funds of any institution in India,

are intrusted to any person in the United Kingdom for payment to any persons in the United Kingdom, the same shall be assessed and charged to tax under this Schedule by the special commissioners.

(2) All the provisions of Schedule C relating to the tax to be assessed and charged in respect of dividends payable out of any public revenue other than that of the United Kingdom, and intrusted to any person (other than the National Debt Commissioners or the Bank of England or the Bank of Ireland) for payment to any persons in the United Kingdom, shall extend to the tax to be assessed and charged under this rule.

(3) Any person who, if acting in relation to dividends chargeable under the aforesaid provisions of Schedule C would be deemed to be a person intrusted with the payment of such dividends, shall, if acting in relation to sums chargeable under this rule, be deemed to be a person intrusted with the payment thereof. (a)

SCHEDULE E.

Tax under Schedule E shall be charged in respect of every public office or employment of profit, and in respect of every annuity, pension, or stipend payable by the Crown or out of the public revenue of the United Kingdom, other than annuities charged under Schedule C, for every twenty shillings of the annual amount thereof (o).

RULES APPLICABLE TO SCHEDULE E.

1. Tax under this Schedule shall be annually charged on every person having or exercising an office or employment of profit mentioned in this Schedule, or to whom any annuity, pension, or stipend, as described in this Schedule, is payable, in respect of all salaries, fees, wages, perquisites or profits whatsoever therefrom *for the year of assessment*, (oo) (p), after deducting the amount of duties or other sums payable or chargeable on the same by virtue of any Act of Parliament, where the same have been really and bona fide paid and borne by the party to be charged.

2. Every assessment shall be made for one year, and the tax in respect thereof shall be levied for that year without any new assessment notwithstanding any change in the holder of any office or employment; but if, during the year of assessment, any person chargeable quits the office or employment, or dies; he, or his executors or administrators, respectively, shall be liable for tax in respect of the period during which he held or exercised the office or employment, and any successor shall in like

(a) Repealed by Finance Act of 1938, s. 23 (1).

(o) Operation of Sched. E extended, Finance Act, 1922, s. 18 (1).

(oo) See s. 45 (1) of Act of 1927.

(p) Words in Rule 1, and Rule 4, repealed, Finance Act, 1922, Third Sched., Part I.

manner be liable in respect of the period during which he has held or exercised the same. (*pp*)

3. If an annuity, pension, or stipend ceases within the year of assessment, the assessment thereon shall be discharged as from the date of cessation. (*pp*)

.....(*p*).

5. If at any time, either during the year of assessment or in respect of that year, a person becomes entitled to any additional salary, fees, or emoluments beyond the amount for which an assessment has been made upon him, or for which at the commencement of that year he was liable to be charged, an additional assessment shall, as often as the case may require, be made upon him in respect of any such additional salary, fees or emoluments, so that he may be charged in respect of the full amount of his salary, fees or emoluments for that year.

If any person proves to the satisfaction of the commissioners concerned that the amount for which an assessment has been made in respect of his salary, fees or emoluments for any year of assessment exceeds the amount of the salary, fees or emoluments for that year, the assessment shall be adjusted and any amount overpaid by way of tax shall be repaid (q).

6. The tax shall be paid in respect of all the public offices and employments of profit within the United Kingdom or by the officers hereinafter respectively described, namely—

- (a) offices belonging to either House of Parliament;
- (b) offices belonging to any court of justice in the United Kingdom, whether civil, criminal, ecclesiastical, naval, military, or air-force;
- (c) public offices under the civil government of the Crown, or in any county palatine, or the Duchy of Cornwall;
- (d) officers in His Majesty's navy;
- (e) commissioned officers in His Majesty's military forces;
- (f) commissioned officers in His Majesty's air-force;
- (g) offices or employments of profit under any ecclesiastical body;
- (h) offices or employments of profit under any company or society, whether corporate or not corporate;
- (i) offices or employments of profit under any public institution, or on any public foundation of whatever nature, or for whatever purpose established;
- (j) offices or employments of profit under any public corporation

(*pp*) See Act of 1927 s. 45 (9).

(*p*) Words in rule 1 and rule 4 repealed, Finance Act, 1922, 3rd Sched. Part I.

(*q*) Para. inserted, Act of 1922, s. 18 (5), and See Act of 1927, s. 45 (9).

or local authority, or under any trustees or guardians of any public funds, tolls, or duties ;

- (k) all other public offices, or employments of profit which are of a public nature.

7.—(1) Tax in respect of offices and employments of profit held under a railway company shall be charged by the special commissioners, who shall notify to the secretary or other officer of the company the particulars of the assessments.

(2) Any such assessment shall be deemed to be and shall be an assessment upon the company, and the tax in respect thereof shall be paid, collected, and levied accordingly, and the company or the secretary or other officer may deduct out of the emoluments of the holder of any such office or employment of profit the tax so charged.

8. In estimating the tax payable, all official deductions and payments made on receipt of the emoluments of any office or employment of profit, or on receipt of any annuity, pension, or stipend, or on passing the accounts of the office, may be deducted if a due account thereof is rendered to the commissioners and proved to their satisfaction.

9. If the holder of an office or employment of profit is necessarily obliged to incur and defray out of the emoluments thereof the expenses of travelling in the performance of the duties of the office or employment, or of keeping and maintaining a horse to enable him to perform the same, or otherwise to expend money wholly, exclusively, and necessarily in the performance of the said duties, there may be deducted from the emoluments to be assessed the expenses so necessarily incurred and defrayed.

10. Where the Treasury are satisfied with respect to any class of persons in receipt of any salary, fees, or emoluments payable out of the public revenue that such persons are obliged to lay out and expend money, wholly, exclusively, and necessarily in the performance of the duties in respect of which such salary, fees, or emoluments are payable, the Treasury may fix such sum, as in their opinion represents a fair equivalent of the average annual amount laid out and expended as aforesaid by persons of that class, and in charging the tax on the said salary, fees, or emoluments, there shall be deducted from the amount thereof the sum so fixed by the Treasury :

Provided that if any person would, but for the provisions of this rule, be entitled to deduct a larger amount than the sum so fixed, that sum may be deducted instead of the sum so fixed.

11.—(1) Where any official pay is payable at a public office, or by any officer of the Royal household, or by a Crown receiver or paymaster, or by any agent employed in that behalf, the tax chargeable thereon shall be deducted out of the official pay, or out of any money which is payable on account of that official pay or any arrears thereof, and shall be applied

in satisfaction of any such tax which has not been otherwise paid, and shall be paid to the Commissioners of Inland Revenue.

(2) If the tax payable is charged by the general commissioners in their respective divisions, they shall transmit an account of the amount of tax so charged to the office where the official pay is payable, in order that it may be there deducted.

(3) In this rule the expression "official pay" means any salary, fees, wages, perquisites, or other profits, or any annuity, pension or stipend.

(4) Where an annuity or pension is payable out of any particular branch of the public revenue at the office of that branch, the commissioners acting for that department may charge the tax in respect of the same as if the annuity or pension were salary or wages payable thereout.

12. Where any emoluments chargeable under this Schedule do not arise as described in the last preceding rule, but arise from any other office or employment of profit, and are payable by any officer, receiver, or agent, any tax chargeable in respect thereof which has not been otherwise paid shall be deducted therefrom or from the arrears thereof and paid to the proper officer.

13.—(1) If either—

- (i) the tax in respect of any office or employment of profit cannot be deducted in the hands of the appropriate officer or of an agent for payment of the emoluments thereof; or
- (ii) the said emoluments have been paid over to the person entitled to them;

and the person charged neglects or refuses to pay the tax, the commissioners for the offices concerned may, by writing under their hands and seals, certify the neglect or refusal, and the sum payable, to the general commissioners for the division comprising the parish in which the person charged resides.

(2) The said last-mentioned commissioners on receipt of the certificate shall, by warrant under their hands and seals, empower the respective collectors of the said tax under this Schedule, or the collectors of the parish where the person chargeable resides, to levy the tax in the same manner and with the like powers as other tax is leviable by them under this Act.

(3) The collectors shall execute the warrant in the manner prescribed by this Act and as if the person chargeable had been charged with tax in the parish where he resides, and the moneys recovered shall be paid over to the proper officer.

14.—(1) If an office or employment of profit chargeable under this Schedule is executed by deputy, the deputy, if he is in receipt of the profits thereof, shall pay the tax charged thereon, and deduct it out of the profits of the office or employment.

(2) If the profits of any officer or officers are received by any other

officer on his or their behalf, or as a fund to be divided among such officers, the officer receiving the same shall pay the tax charged thereon and deduct it out of the same received before they are handed over or divided.

(3) In the case of non-payment of the tax, the said deputy or officer receiving the profits shall be liable to such distress as is prescribed by this Act against any person holding the office or employment, and to any other remedy and penalty herein provided.

15. Where deduction of tax is authorised to be made out of any sums, the deduction shall be made at such times in each year as the said sums are payable.

16. If any emoluments of any office or employment of profit, or any annuity, pension, or stipend charged under this Schedule are charged with a sum payable to another person, such portion of the tax shall be deducted from that sum as the tax thereon would amount unto, and that person, or any agent or receiver on this behalf, shall allow the deduction on receipt of the residue of the sum payable.

17. If a deputy, clerk, or other person is employed under the holder of an office or employment of profit, and his salary or wages are paid out of the emoluments thereof, the holder of the office may deduct out of the salary or wages payable by him such a portion of the tax charged on the emoluments of the office or employment as the tax on the said salary or wages would amount unto, and the deduction shall be allowed upon receipt of the residue of the salary or wages.

18.—(1) The tax shall be assessed and charged by the respective commissioners for all the offices in each department, in the place where the said commissioners execute their offices, although certain of the offices in the same department may be executed elsewhere.

(2) A person chargeable in respect of an office or employment of profit shall be deemed to exercise it at the head office of the department under which it is held, and shall be assessed and charged at that head office, although the duties of the office or employment are performed, or any profits thereof are payable elsewhere, whether within the United Kingdom or not.

(3) An office shall be deemed to belong to, and shall be charged by or under, the principal officers of the department by or under whom the appointment to the office is made, but if the appointment is made by an inferior officer of the department, such office shall be charged by the commissioners by whom that inferior officer is chargeable in respect of his own office:

Provided that an officer who holds an appointment under the Great Seal or Privy Seal of England or Scotland, or an appointment under the Royal Sign Manual, or an appointment under the Treasury but not exercised

in the Treasury, shall be assessed and charged in that department in which his office is exercised.

(4) Nothing in this rule shall limit the right given by this Act to any other commissioners to assess and charge offices within their jurisdiction, although those offices may not be held under their appointment, or although the profits thereof may not be payable by them or by their order.

(5) Notwithstanding anything in this rule, a person may be assessed and charged under this Schedule by the commissioners acting for any parish in which he ordinarily resides *or in which he is employed*(*r*).

THE GENERAL RULES(*s*).

GENERAL RULES APPLICABLE TO SCHEDULES A, B, C, D AND E.

1. Every body of persons shall be chargeable to tax in like manner as any person is chargeable under the provisions of this Act.

2.—(1) In assessing the tax chargeable under any Schedule upon a clergyman or minister of any religious denomination, the following deductions may be made from any profits, fees or emoluments of his profession or vocation—

- (a) any sums of money paid or expenses incurred by him wholly, exclusively, and necessarily in the performance of his duty as a clergyman or minister;
- (b) such part of the rent (not exceeding one-eighth), as the commissioners by whom the assessment is made may allow, paid by him in respect of a dwelling-house any part of which is used mainly and substantially for the purposes of his duty as such clergyman or minister;

and where any such clergyman or minister is in the occupation of a dwelling-house, but pays no rent therefor, he shall for the purposes of the foregoing provision be deemed to pay a rent equal to the annual value of the dwelling-house as assessed to tax under Schedule A.

(2) If no such deduction has been made, a proportionate part of the tax paid by him shall be repaid to the clergyman or minister on proof to the commissioners that any sum has been expended as aforesaid.

3. Every British subject whose ordinary residence has been in the United Kingdom shall be assessed and charged to tax, notwithstanding that at the time the assessment or charge is made he may have left the United Kingdom, if he has so left the United Kingdom for the purpose only of occasional residence abroad, and shall be charged as a person actually

(*r*) Words inserted, Finance Act, 1922, s. 18 (4).

(*s*) See Finance Act, 1919, s. 28.

residing in the United Kingdom upon the whole amount of his profits or gains, whether they arise from property in the United Kingdom or elsewhere, or from any allowance, annuity, or stipend (save as herein is excepted), or from any trade, profession, employment, or vocation in the United Kingdom or elsewhere.

4. The trustee, guardian, tutor, curator, or committee of any incapacitated person having the direction, control, or management of the property or concern of any such person, whether such person resides in the United Kingdom or not, shall be assessable and chargeable to tax in like manner and to the like amount as that person would be assessed and charged if he were not an incapacitated person.

5. A person not resident in the United Kingdom, whether a British subject or not, shall be assessable and chargeable in the name of any such trustee, guardian, tutor, curator, or committee, or of any factor, agent, receiver, branch, or manager, whether such factor agent, receiver, branch, or manager has the receipt of the profits or gains or not, in like manner and to the like amount as such non-resident person would be assessed and charged if he were resident in the United Kingdom and in the actual receipt of such profits or gains.

6. A non-resident person shall be assessable and chargeable in respect of any profits or gains arising, whether directly or indirectly, through or from any factorship, agency receivership, branch, or management, and shall be so assessable and chargeable in the name of the factor, agent, receiver, branch, or manager.

7. Where a non-resident person, not being a British subject or a British, Indian, Dominion, or Colonial firm or company, or branch thereof, carries on business with a resident person, and it appears to the commissioners by whom the assessment is made that, owing to the close connection between the resident person and the non-resident person, and to the substantial control exercised by the non-resident person over the resident person, the course of business between those persons can be so arranged, and is so arranged, that the business done by the resident person in pursuance of his connection with the non-resident person produces to the resident person either no profits or less than the ordinary profits which might be expected to arise from that business, the non-resident person shall be assessable and chargeable to tax in the name of the resident person as if the resident person were an agent of the non-resident person.

8. Where it appears to the commissioners by whom the assessment is made or, on any objection or appeal, to the general or special commissioners, that the true amount of the profits or gains of any non-resident person chargeable with tax in the name of a resident person cannot in any case be readily ascertained, the commissioners may, if they think fit, assess and charge the non-resident person on a percentage of the turnover of the

business done by the non-resident person through or with the resident person in whose name he is chargeable as aforesaid, and in such case the provisions of this Act relating to the delivery of statements by persons acting on behalf of others shall extend so as to require returns to be given by the resident person of the business so done by the non-resident person through or with the resident person, in the same manner as statements are to be delivered by persons acting for incapacitated or non-resident persons of profits or gains to be charged.

9.—(1) The amount of percentage under the last preceding rule shall in each case be determined, having regard to the nature of the business, by the commissioners by whom the assessment on the percentage basis is made, subject, in the case of an assessment made by the additional commissioners, to objection or appeal to the general or special commissioners.

(2) If either the resident person or non-resident person is dissatisfied with the percentage determined either in the first instance or by the general or special commissioners on objection or appeal, he may, within four months of that determination, require the commissioners to refer the question of the percentage to a referee or board of referees to be appointed for the purpose by the Treasury, and the decision of the referee or board shall be final and conclusive.

10. Nothing in these rules shall render a non-resident person chargeable in the name of a broker or general commission agent, or in the name of an agent not being an authorised person carrying on the regular agency of the non-resident person or a person chargeable as if he were an agent in pursuance of these rules, in respect of profits or gains arising from sales or transactions carried out through such a broker or agent.

11. The fact that a non-resident person executes sales or carries out transactions with other non-residents in circumstances which would make him chargeable in pursuance of these rules in the name of a resident person shall not of itself make him chargeable in respect of profits arising from those sales or transactions.

12. Where a non-resident person is chargeable to income tax in the name of any branch, manager, agent, factor or receiver in respect of any profits or gains arising from the sale of goods or produce manufactured or produced out of the United Kingdom by the non-resident person, the person in whose name the non-resident person is chargeable may, if he thinks fit, apply to the commissioners by whom the assessment is made, or in case of an appeal to the general or special commissioners, to have the assessment to income tax in respect of those profits or gains made or amended on the basis of the profits which might reasonably be expected to have been earned by a merchant or, where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold, who had bought from the manufacturer or producer direct, and on

proof to the satisfaction of the commissioners concerned of the amount of the profits on the basis aforesaid, the assessment shall be made or amended accordingly.

13. The person who is chargeable in respect of an incapacitated person, or in whose name a non-resident person is chargeable, shall be answerable for all matters required to be done under this Act for the purpose of assessment and payment of tax.

14. Any person who has been charged under this Act in respect of any incapacitated or non-resident person as aforesaid may retain, out of money coming into his hands on behalf of any such person, so much thereof from time to time as is sufficient to pay the tax charged, and shall be indemnified for all such payments made in pursuance of this Act.

15.—(1) A receiver appointed by any court in the United Kingdom which has the direction and control of any property in respect of which tax is charged in accordance with the provisions of this Act shall be assessable and chargeable with tax in like manner and to the like amount as would be assessed and charged if the property were not under the direction and control of the court.

(2) Every such receiver shall be answerable for doing all matters and things required to be done under this Act for the purpose of assessment and payment of tax.

16. A married woman acting as a sole trader, or being entitled to any property or profits to her separate use, shall be assessable and chargeable to tax as if she were sole and unmarried:

Provided that—

(1) the profits of a married woman living with her husband shall be deemed the profits of the husband, and shall be assessed and charged in his name, and not in her name or the name of her trustee; and

(2) a married woman living in the United Kingdom separate from her husband, whether the husband be temporarily absent from her or from the United Kingdom or otherwise, who receives any allowance or remittance from property out of the United Kingdom, shall be assessed and charged as a feme sole if entitled thereto in her own right, and as the agent of the husband if she receives the same from or through him, or from his property, or on his credit.

17.—(1) If an application is made for the purpose in such manner and form as may be prescribed by the Commissioners of Inland Revenue, either by a husband or wife, within six months before the *sixth day of July* (1) in any year of assessment, income tax for that year shall be

(1) Words substituted, Finance Act, 1919, s. 26.

See also Finance Act, 1930, s. 22.

assessed, charged and recovered on the income of the husband and on the income of the wife as if they were not married; and all the provisions of this Act with respect to the assessment, charge, and recovery of tax, and the penalties for failure to deliver a statement of profits or gains, shall, save as otherwise provided by this Act, apply as if they were not married.

(2) The Commissioners of Inland Revenue may require returns for the purposes of this rule to be made at any time, and the provisions of this Act relating to penalties for neglect or refusal to deliver, or for delay in delivering true and correct statements of profits or gains, shall, with the necessary modifications, apply in the case of the neglect or refusal to make, or wilful delay in making, any such return.

18. Where any person dies without having delivered a statement of all his profits or gains chargeable to tax with a view to an assessment thereon in due course, an assessment in respect of the profits or gains which arose or accrued to him before his death may be made at any time within the year of assessment, or within three years after the expiration thereof, upon his executors or administrators, and the amount of the tax thereon shall be a debt due from and payable out of his estate.

19.—(1) Where any yearly interest of money, annuity, or any other annual payment (whether payable within or out of the United Kingdom, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation thereout, or as a personal debt or obligation by virtue of any contract, or whether payable half-yearly or at any shorter or more distant periods), is payable wholly out of profits or gains brought into charge to tax, no assessment shall be made upon the person entitled to such interest, annuity, or annual payment, but the whole of those profits or gains shall be assessed and charged with tax on the person liable to the interest, annuity, or annual payment, without distinguishing the same, and the person liable to make such payment, whether out of the profits or gains charged with tax or out of any annual payment liable to deduction, or from which a deduction has been made, shall be entitled, on making such payment, to deduct and retain thereout a sum representing the amount of the tax thereon at the rate or rates of tax in force during the period through which the said payment was accruing due.

The person to whom such payment is made shall allow such deduction upon the receipt of the residue of the same, and the person making such deduction shall be acquitted and discharged of so much money as is represented by the deduction, as if that sum had been actually paid.

(2) Where any royalty, or other sum, is paid in respect of the user of a patent, wholly out of profits or gains brought into charge to tax, the person paying the royalty or sum shall be entitled, on making the payment,

to deduct and retain thereout a sum representing the amount of the tax thereon at the rate or rates of tax in force during the period through which the royalty or sum was accruing due.

20. The profits or gains to be charged on any body of persons shall be computed in accordance with the provisions of this Act on the full amount of the same before any dividend thereof is made in respect of any share, right or title thereto, and the body of persons paying such dividend shall be entitled to deduct the tax appropriate thereto. (t)

21.—(1) Upon payment of any interest of money, annuity, or other annual payment (u) charged with tax under Schedule D, or of any royalty or other sum paid in respect of the user of a patent, not payable, or not wholly payable, out of profits or gains brought into charge, the person by or through whom any such payment is made shall deduct thereout a sum representing the amount of the tax thereon at the rate of tax in force at the time of the payment.

21. (2) (v) Where any such payment as aforesaid is made by or through any person, that person shall forthwith deliver to the Commissioners of Inland Revenue, for the use of the Special Commissioners, an account of the payment, or of so much thereof as is not made out of profits or gains brought into charge, and of the tax deducted out of the payment or out of that part thereof, and the Special Commissioners shall assess and charge the payment of which an account is so delivered on that person.

(2A) The Special Commissioners may, where any person has made default in delivering an account required by this Rule, or where they are not satisfied with the account so delivered, make an assessment according to the best of their judgment, and if any person neglects or refuses to deliver an account so required, he shall forfeit the sum of one hundred pounds over and above the tax chargeable.

(2B) All the provisions of the Income Tax Acts relating—

- (a) to persons who are to be chargeable with income tax and to income tax assessments;
- (b) to appeals against such assessments;
- (c) to the collection and recovery of income tax;
- (d) to cases to be stated for the opinion of the High Court,

shall, so far as they are applicable, apply to the charge, assessment, collection and recovery of income tax under this Rule, and the Special Commissioners shall, for the purpose of an assessment under this Rule, have any powers of a surveyor, and, for the purpose of the representation of the Crown before the Special Commissioners on any appeal under this

(t) See No. 1 Act of 1931, s. 7.

(u) Paras (2), (2A), (2B) inserted in place of para (2) by Act of 1927, s. 28.

(v) See Act of 1927, s. 25.

Rule, any person nominated in that behalf by the Commissioners of Inland Revenue shall have all such powers as a surveyor has at and upon the determination of an appeal.

(3) The amount of annuities which an assurance company carrying on the business of granting annuities is entitled, for the purposes of this rule, to treat as having been paid out of profits or gains brought into charge to tax, shall not exceed the amount of the taxed income of its annuity fund.

22.—(1) If a difference arises—

- (a) between tenant and landlord or any other persons with regard to the deduction on account of tax to be made from any annual sum; or
- (b) between the occupier for the time being and any former occupier of lands, tenements, hereditaments or heritages, his executors, administrators, or assigns, with regard to the proportion of tax to be paid or allowed by either of them respectively;

the general commissioners of the division shall settle the proportion of the payments or deductions to be made according to the provisions of this Act, and, in default of payment, shall levy the same as if the proportions settled by them had been charged upon the respective persons, and shall pay over the same to the collector or to the proper person, as the case may require.

(2) In any such case the determination of the general commissioners shall be final.

(3) In this rule "annual sum" means any interest, annuity, rent, rentcharge, fee-farm rent, rent-service, quit-rent, feu duty, or other rent or annual payment.

23.—(1) A person who refuses to allow a deduction of tax authorised by this Act to be made out of any payment, shall forfeit the sum of fifty pounds.

(2) Every agreement for payment of interest, rent, or other annual payment in full without allowing any such deduction shall be void. (x)

SECOND SCHEDULE.

GENERAL COMMISSIONERS FOR CERTAIN CITIES AND TOWNS.

(x) See Act of 1927, s. 25.

THIRD SCHEDULE.

QUALIFICATIONS OF GENERAL COMMISSIONERS.

FOURTH SCHEDULE.

DECLARATIONS.

FORM of DECLARATION to be made by GENERAL, ADDITIONAL and SPECIAL COMMISSIONERS acting in respect of Tax under Schedule D.

FORMS of DECLARATION to be made by SURVEYORS, ASSESSORS, COLLECTORS, CLERKS TO COMMISSIONERS.

FIFTH SCHEDULE.

STATEMENTS, LISTS, AND DECLARATIONS.

I.—By every OCCUPIER of LANDS, TENEMENTS, HEREDITAMENTS or HERITAGES to be charged under Schedules A and B, or either of them.

A statement of the rent and annual value, or the annual value, as the case shall require, of all lands, tenements, hereditaments, or heritages, occupied in every parish, distinguishing the proportions in each parish, and estimating separately such as are occupied as owner or tenant, and also such as are held under different landlords, and also such as are chargeable by reference to the rent or annual value, or on the amount of profits; and also estimating separately the rent or annual value chargeable in respect of the property, and the amount chargeable in respect of the occupation, distinguishing the same as follows:—

Lands and tenements occupied as owner;

Lands and tenements let at rackrent within seven years;

Lands and tenements let at rackrent before the period of seven years, with the rent and annual value thereof estimated separately;

Lands and tenements let, but not at rackrent, with the rent and annual value thereof estimated separately;

The amount at which such land and tenements are rated to the poor;

The amount of any composition, rent, rentcharge, or annual payment paid in the preceding year to the rector or vicar or other person, for tithes of the abqve lands and tenements;

The amount of each deduction claimed in respect thereof, and stating if tithe-free, in part or in the whole, and the amount of any modus for tithes and real composition,

.....(y).

XV.—GENERAL DECLARATION by each PERSON returning a STATEMENT of PROFITS OR GAINS to be charged under Schedule A, B, D, or E.

Declaring the truth thereof, and that the same is fully stated on every description of property, or profits or gains, included in the Act relating to the said tax, and appertaining to such person, estimated to the best of his judgment and belief, according to the provisions of this Act.

.....(y).

XVII.—DECLARATIONS, and STATEMENTS of total income(z).

First. Declaration of the amount of value of property or profits or gains returned, or for which the claimant has been, or is liable to be, assessed.

Second. Declaration of the amount of rents, interests, annuities, or other annual payments, in respect of which the claimant is liable to allow the tax, with the names of the respective persons by whom such payments are to be made, distinguishing the amount of each payment.

Third. Declaration of the amount of interest, annuities, or other annual payments to be made out of the property or profits or gains assessed on the claimant, distinguishing each source.

Fourth. Statement of the amount of income derived according to the three preceding declarations.

Fifth. Statement of any tax which the claimant may be entitled to deduct, retain or charge against any other person.

SIXTH SCHEDULE.

FORMS.

[NOTE.—These forms may be varied or other forms prescribed by the Commissioners of Inland Revenue as circumstances require.]

SEVENTH SCHEDULE.

ENACTMENTS REPEALED.

(y) Paras II to XIV and XVI, repealed by Act of 1927, No. 10, Part 1.
(z) Heading substituted, Finance Act, 1927, No. 46, Part 1, Sched. Part I.

